Valley Water

FY 2020–21

Operating and Capital Budget

Santa Clara Valley Water District

Adopted
Fiscal Year 2020-21
Annual Budget

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Submitted by

Norma Camacho
Chief Executive Officer

Valley Water

Santa Clara Valley Water District

Adopted
Fiscal Year 2020-21 Annual Budget

Prepared by

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Santa Clara Valley Water District

Adopted
Fiscal Year 2020-21 Annual Budget

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Budget Transmittal Letter for Fiscal Year 2020-21

May 26, 2020

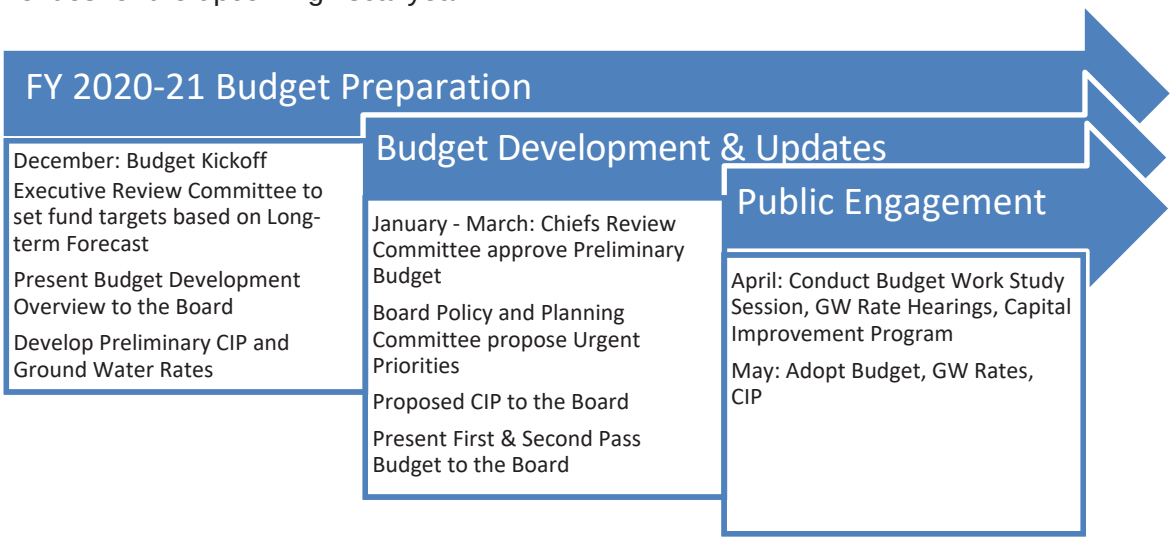
Honorable Members of the Board of Directors of the Santa Clara Valley Water District:

In accordance with Valley Water Policy, I am submitting the Fiscal Year 2020-21 (FY21) Budget for the Santa Clara Valley Water District (Valley Water). This budget represents Valley Water's mission of providing Silicon Valley safe, clean water for a healthy life, environment, and economy. This Budget also provides a comprehensive financial plan that includes a forecast of operating and non-operating revenues and expenditures; financing of long-term capital improvement plans to support infrastructure needs; and funding for the repayment of long-term debt. The COVID-19 pandemic has created a level of economic uncertainty that is unprecedented. As an organization, we have identified shovel-ready projects and are preparing to act on potential stimulus funding and opportunities that will contribute to the economic recovery of Silicon Valley.

Financial Overview

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for per their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

The budget development process begins in December of each year and concludes on June 30, with the posting of the budget. The budget development process for FY 2020-21 includes several process improvements and numerous public hearings, as well as input from the Board on urgent priorities for the upcoming fiscal year.



Valley Water Priorities

This budget demonstrates a fiscally responsible, balanced budget that meets the community's expectations of Valley Water while also adapting to the COVID-19 pandemic. The Budget was developed based on the Board's current strategies; the FY 2020-21 Board Work Plan will be approved in the near future. The organization will incorporate specific activities that address the Board's urgent priorities into its workplan and periodically update the Board Policy and Planning Committee and the full Board throughout the fiscal year and bring adjustments back to the Board, if needed.

Revenue

The FY 2020-21 Proposed Budget includes projected revenues of approximately $506.6 million. These revenues are a net increase of $4.8 million from the $501.8 million included in the FY 2019-20 Adopted Budget. The increase is primarily derived from increases in 1% ad valorem property taxes ($9.0 million), capital reimbursement revenue ($11.0 million), interest and other income ($2.2 million), and offset by a decrease to water revenue (-$16.3 million), and benefit assessment revenues (-$1.1 million).

Appropriations/Outlays

Net total operating and capital outlays for the FY 2020-21 Proposed Budget is $609.5 million. This figure does not include capital carry forward that was appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Fund charges.

Net Operating Outlays

Net operating outlays for the FY 2020-21 Proposed Budget is $373.7 million, an increase of $29.3 million from the FY 2019-20 Adopted Budget. The increase in net outlays reflects continued efforts to maintain service levels that support key strategic objectives and the Board priorities

Net Capital Outlays

Net capital project appropriations total $235.8 million in the FY 2020-21 Proposed Budget, an increase of $51.3 million from the 2019-20 Adopted Budget. It is anticipated that $64.4 million of the FY 2019-20 Adjusted Budget for capital projects also will carry forward into FY2020-21 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete. The capital budget represents those projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP).

Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements, totaling $91.1 million in FY 2020-21. Intra-district charges reimburse the General Fund and Service Funds for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management.

Other Financing Sources/Uses

Other financing sources include debt financing proceeds to fund capital improvements. For FY 2020-21, bond or commercial paper proceeds of $135.5 million are planned in the Water Utility capital improvement program to finance critical water system infrastructure improvements.

Reserves

Valley Water reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. Within these categories are budgeted reserves and special purpose reserves, further detail is found in the FY 2020-21 Operating and Capital Budget document beginning on page 3−39. Overall, budgeted reserves for Fiscal Year 2020-21 are expected to increase $6.3 million to a total of $349.2 million. The increase primarily occurs in the committed reserves portion of the Watershed Stream Stewardship Fund ($33.3 million), Water Enterprise Funds ($14.1 million) and General Fund ($1.4 million). These increases are offset by decreases in the restricted reserves portion of the Safe, Clean Water & Natural Flood Protection Fund (-$35.7 million) and the Water Enterprise Funds (-$6.4 million).

($ in Thousands)	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 $ Diff	Change from 2019-20 % Diff
Restricted Reserves						
Safe, Clean Water & Natural Flood Protection Fund	157,745	116,073	119,626	80,381	(35,692)	(31%)↓
Water Enterprise Funds	71,527	65,529	73,942	59,126	(6,403)	(10%)↓
Subtotal	**229,272**	**181,602**	**193,568**	**139,507**	**(42,095)**	**(23%)↓**
Committed Reserves						
General Fund	7,125	4,318	8,965	5,733	1,415	33%↑
Watershed Stream Stewardship Fund	133,305	82,195	108,119	115,513	33,318	41%↑
Water Enterprise Funds	65,204	57,267	50,289	71,380	14,113	25%↑
Internal Service Funds	32,862	17,500	19,980	17,035	(465)	(3%)↓
Subtotal	**238,496**	**161,280**	**187,353**	**209,661**	**48,381**	30%↑
Grand Total	**467,768**	**342,882**	**380,921**	**349,168**	**6,286**	**2%↑**

Debt Overview

The FY 2020-21 debt portfolio total outstanding principal of $866.2 million includes $65.5 million for Watersheds, $710.7 million for the Water Utility Enterprise, and $90.0 million of Commercial Paper for Safe, Clean Water & Natural Flood Protection and Water Utility Enterprise projects. Annual debt service budget of $61.8 million includes repayment of principal, interest and various banking and legal fees for the debt portfolio.

Valley Water's debt management strategy includes the use of a short-term Commercial Paper (CP) Program with a maximum program capacity of $150 million, supported by a $150 million Letter of Credit (LOC) from Bank of Tokyo Mitsubishi UFJ, LTD.

The long-term strategy is to issue CP to provide short-term just-in-time funding for capital expenditures. As the outstanding CP reaches the program capacity, the outstanding CP is refunded with long-term debt to be repaid over the remaining of life of the assets. For the Water Utility Program, the issuance of long-term debt helps keep water charges stable over the long-term while resulting in inter-generational equity and allows for the completion of capital projects in a timely manner. The water charge study shows that Water Utility finances will be healthy despite the issuance of debt, assuming that forecasted water charge increases are implemented.

For the Safe, Clean Water Program, issuing debt allows the projects to be completed earlier as it bridges the timing difference between when the voter approved special parcel tax revenues are collected versus the desired project delivery schedule based on the Board approved CIP. The Safe, Clean Water special parcel tax was approved by voters on November 6, 2012 and has a sunset date of June 30, 2028.

The Santa Clara Valley Water District proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost.

Bond Ratings

The bond ratings for Valley Water's outstanding debt reflect high grade investment quality debt. They are based on Valley Water's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Please see table below for ratings going into FY 2020-21.

	Water Utility		Watershed
	Senior Debt	Parity Debt	Debt
Moody's	Aa1	Aa1	Aa1
Standard & Poor's	AA-	N/A	AAA
Fitch	N/A	AA+	AA+

Staffing

The FY 2020-21 Proposed Budget includes 871 positions including, 859 authorized regular positions, 8 limited term positions, and 4 fellowships, maintaining the same level as the FY 2019-20 Adjusted Budget. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits in the "Financial Overview" section.

Authorized Position Count by Organization Area

	Adjusted Budget 2018-19	Adjusted Budget 2019-20*	Proposed Budget 2020-21**	Change* from 2019-20	% Change from 2019-20
Board Appointed Officers	103	106	77	0	0%
External Affairs	35	38	39	0	0%
IT & Administrative Services	122	131	160	0	0%
Water Utility	341	333	309	0	0%
Watersheds	223	251	274	0	0%
Districtwide	**824**	**859**	**859**	**0**	**0%**

***** The FY 20 Adopted Budget authorized positions totaled 842 positions. Additionally, in FY 20 the Board approved additional 17 positions.

****** -Assistant Officer to External Affairs from Water Utility (1)
-Twenty-three (23) positions to Watersheds from Water Utility (17 positions from Dam Safety & Capital Delivery Division and six (6) positions from CADD)
-As of March 9, 2020, the HR Division transferred from the Office of the CEO to IT & Administrative Services (29 positions)

Future Outlook

The COVID-19 pandemic has created a public health crisis that is affecting our community and economy in ways that have not been previously experienced. Facing a changed economic climate and in preparation of the economic recovery that will ensue, the organization has been refining project plans, prioritizing business continuity and maintaining the operation of our essential services to continue to provide safe, clean water to Santa Clara County. At the same time, it is important to maintain a long-term outlook given the major infrastructure investments planned for the next 10 years. Valley Water continues its ambitious capital program to help ensure a reliable and safe water supply. It is a wise fiscal policy to start planning for the future by acting now and prioritizing projects as the implications from this pandemic become more evident and opportunities arise to further drive the economic recovery in Santa Clara County. Valley Water is prepared to continue to provide an essential service to the community, create jobs and bolster the local economy.

Sincerely,

Norma Camacho
Chief Executive Officer

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Santa Clara Valley Water District

California

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director

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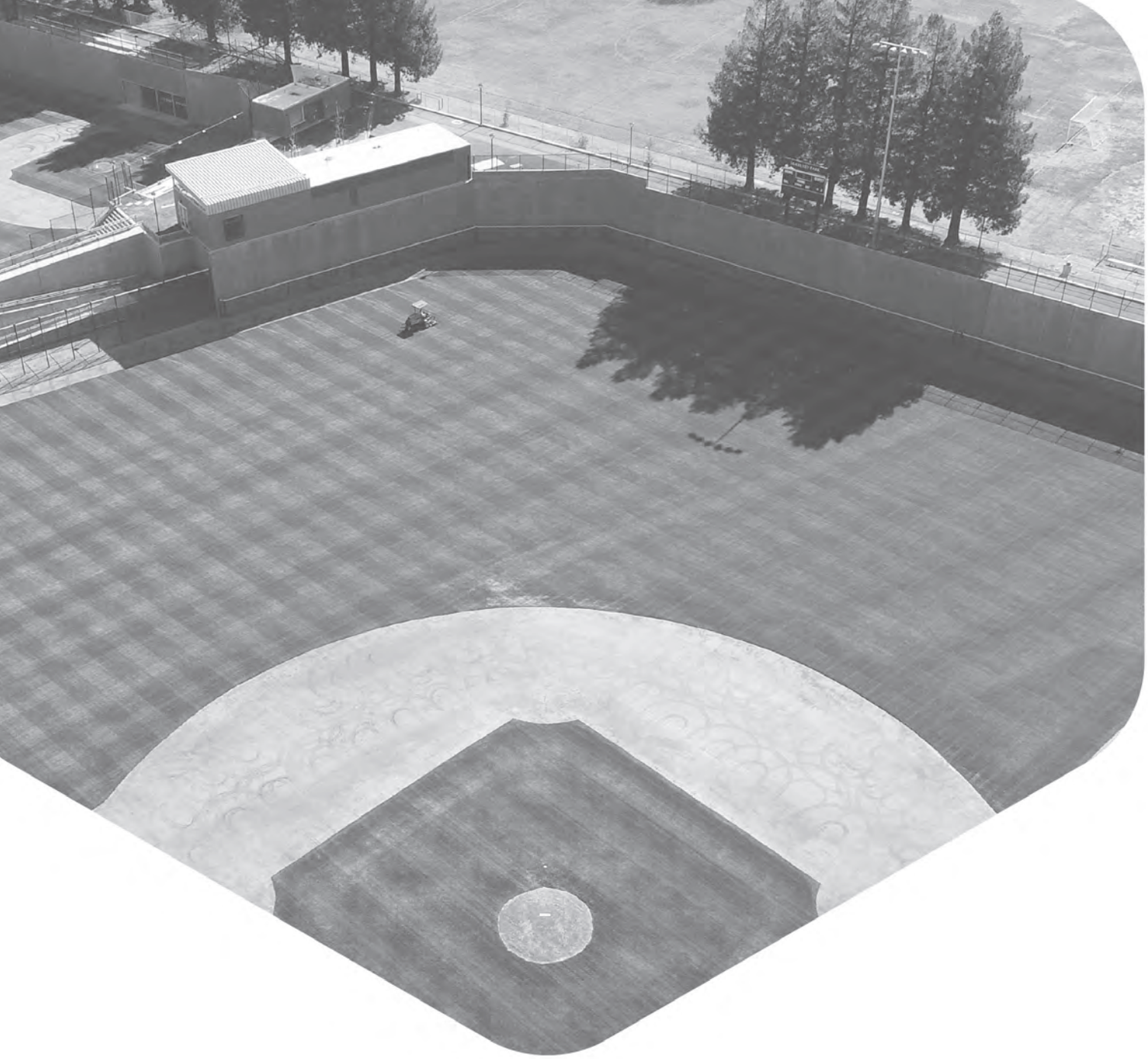


Budget in Brief

FY 2020–21
Operating and Capital Budget

Fiscal Year 2020–21

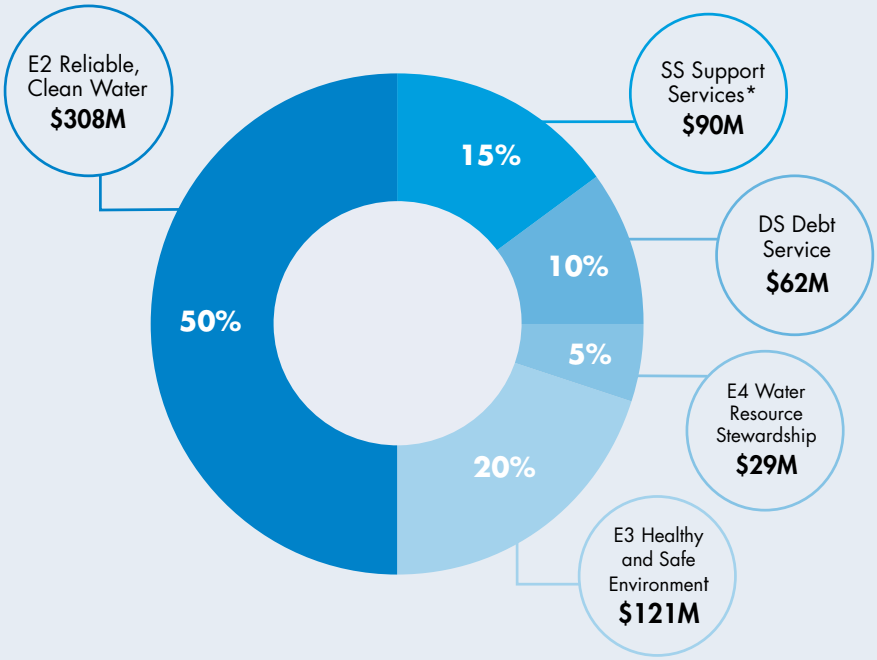
Budget in Brief

Valley Water

Engineering geologists performing field mapping of the Hoot Owl Way and Boat Marina Landslides along the reservoir rim. Photo taken by Yogesh Prashar.

FY 2020–21 Adopted Budget of $610 million

Valley Water manages an integrated water resources system that includes the supply of clean, safe water, flood protection and stewardship of streams on behalf of Santa Clara County's 2 million residents. In May, the Board of Directors adopted a $610 million budget for Fiscal Year 2020-21 to provide these critical services



*Support Services total is net of intra-district reimbursements. (e.g. overhead costs charged to projects for administrative support services such as human resource and information technology etc.)

Board Work Plan

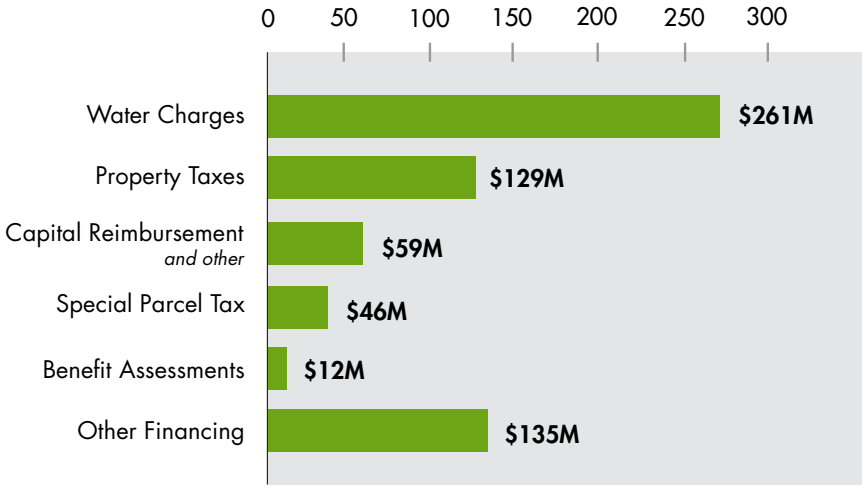
As part of the annual budgeting process, the Board conducts planning sessions to develop strategies to accomplish Valley Water's long-term goals and objectives. This fiscally responsible and balanced budget meets the community's expectations of Valley Water while also adapting to the COVID-19 pandemic. The budget was developed based on the Board's current strategies; the FY 2020-21 Board Work Plan will be approved in the near future, and will serve as a road map for the year ahead and guide the preparation of future budgets.

Photo: Los Alamitos Recharge Pond located behind Valley Water Headquarters

Valley Water relies on a diverse array of funding sources

Valley Water receives funding from a variety of sources, including treated water, surface/recycled water and groundwater production charges; proceeds from property taxes; the Safe, Clean Water and Natural Flood Protection Program special parcel tax; benefit assessments; interest earnings; cost-sharing agreements and grants.

FY 2020–21 Adopted Revenue and Debt Financing $642 million



Water Charges include charges for groundwater production, which is water produced by pumping from the underground basins; treated water, which has been processed through a water district water treatment plant; surface water, which has been diverted from streams, creeks, reservoirs, or raw water distribution lines; and recycled water, which is treated wastewater used in crop irrigation, landscaping and industrial uses.

Property Taxes comprise an allocated share of countywide 1% property tax receipts, and a voter-approved levy for State Water Project contract obligations.

Capital Reimbursements and other is primarily comprised of reimbursements from other agencies, grant revenue and interest earnings.

Special Parcel Tax provides funding for the Safe, Clean Water and Natural Flood Protection Program, passed by voters in 2012, and expires in 2028.

Benefit Assessments pay for debt services associated with flood protection projects and will continue until 2030.

Other Financing includes debt proceeds that provide upfront funding for the Capital Improvement Program (CIP).

Water Utility

The Water Utility Enterprise is primarily responsible for providing a clean, reliable water supply for current and future generations. A new era of investment in water infrastructure is needed across the nation. The Fiscal Year 2020-21 budget includes critical investments that position the Water Utility Enterprise well to help ensure water continues to flow to your tap now and in the future.

Pacheco Reservoir Expansion

The proposed Pacheco Reservoir Expansion Project will enlarge the existing reservoir capacity of 6,000 acre-feet to 140,000 acre-feet by constructing a new upstream dam.

Key deliverables: Complete basis of design technical memoranda, complete environmental field investigation reports, prepare administrative draft environmental documents, and prepare 30% design.

Pacheco Reservoir

Rinconada Water Treatment Plant (RWTP) Reliability Improvement

This project continues the nearly complete makeover of Valley Water's oldest (more than 50 years) conventional water treatment plant. The project will also expand the plant's peak treatment capacity from 80 million gallons per day (mgd) to 100 mgd. This facility is the only treated water facility on the west side of the county and must remain operational during the construction of new treatment elements.

Key deliverables: Complete site restoration and finalize Phase 2 construction. Phase 2 includes replacement or improvement of the existing treatment processes and facilities, including flocculation and sedimentation, washwater recovery, electrical control building, and chemical feed systems. Begin planning for an interim construction package for site restoration and other outstanding left-over work from Phase 2. Begin planning for remaining phase.

RWTP Reliability Improvement

10-Year Pipeline Inspection and Rehabilitation

This project secures the reliability and long-term operational capability of Valley Water's extensive, large-diameter raw and treated water pipeline system. Selected segments of the system are identified annually for inspection and rehabilitation, as needed

Key deliverables: Complete construction of the Cross Valley and Calero pipelines. Advertise and award construction contracts for the Parallel East Pipeline Phase II and Central Pipeline.

Parallel East Pipeline Refurbishment

Anderson Seismic Retrofit and FERC Compliance Project(s)

This project will resolve seismic stability deficiencies with Anderson Dam to ensure public safety, restore lost reservoir storage capacity, and comply with CA Department of Safety of Dams and Federal Energy Regulatory Commission (FERC) requirements for safe dam operations. The project also includes draining the reservoir to deadpool (el. 488 ft.) and constructing a new, higher-capacity outlet tunnel that will allow the reservoir to be more easily maintained at a constant level (drained more quickly) as an interim risk reduction measure required by FERC to ensure public safety, prior to the start of construction for the Seismic Retrofit Project.

Key deliverables: Implementing environmental/fish mitigation measures and beginning construction of new outlet tunnel.

Anderson Dam during DSOD inspection

Watersheds

Watersheds Operations oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and mitigating environmental impacts, while enhancing positive environmental aspects. Important activities funded by the FY 2020-21 budget include:

Permanente Creek Flood Protection

This project will provide flood protection for thousands of homes and businesses in Mountain View and Los Altos, create recreational opportunities and enhance the environment. The project spans 10.6 miles of Permanente Creek, from San Francisco Bay's southwest shoreline through Mountain View to Foothill Expressway in Los Altos. The project uses a natural flood protection approach to prevent potential flooding damages in excess of $48 million (1999 value). The project includes: channel improvements; flood detention area and recreational improvements at City of Mountain View's McKelvey Park; and flood detention areas, recreational improvements and enhanced habitat at County of Santa Clara's Rancho San Antonio Park. Completion of the Rancho San Antonio Park Flood Detention Facility site is scheduled for spring of 2021.

Construction of the Control Structure at Rancho San Antonio

Lower Guadalupe River – Tasman to I-880

This project will restore the river's flood protection level to its 100-year flood design capacity and provide natural flood protection for residents, businesses, and visitors. When completed, the project will apply an integrated watershed management approach that balances environmental quality and protection from flooding. The project will preserve the river's capacity to convey flood waters and the structural integrity of its stream banks, while minimizing impacts on the environment and protecting the suitability of the area to support habitats.

Guadalupe River by Tasman and 880

Fish Monitoring Program

Valley Water continues to expand its fish monitoring program to better understand the creek habitat needs and the important life stages of the threatened steelhead. The program includes sophisticated underwater cameras to capture fish movement, tagging fish with radio frequency identification (RFID) tags, creek temperature monitoring, and field monitoring to understand how fish under one year old have survived the critical summer period.

Valley Water employees in the Fish Monitoring Program

Other Flood Protection Projects

Watersheds will also complete construction of the Rancho San Antonio Park Flood Detention Facility and the Berryessa Creek Flood Protection Project. Construction will begin for San Francisco Bay Shoreline Phase I to provide flood protection and tidal wetland restoration, as well as for Piedmont Creek Wall Repair and Rehabilitation and Calabazas Creek Bank Rehabilitation.

CONTACT US

Contact the Budget office at ***Budget@valleywater.org*** or **1-408-265-2600** for any questions. Or use our **Access Valley Water** customer request and information system at ***https://delivr.com/2yukx*** to find out the latest information on Valley Water projects or to submit questions, complaints or compliments directly to a Valley Water staff person.

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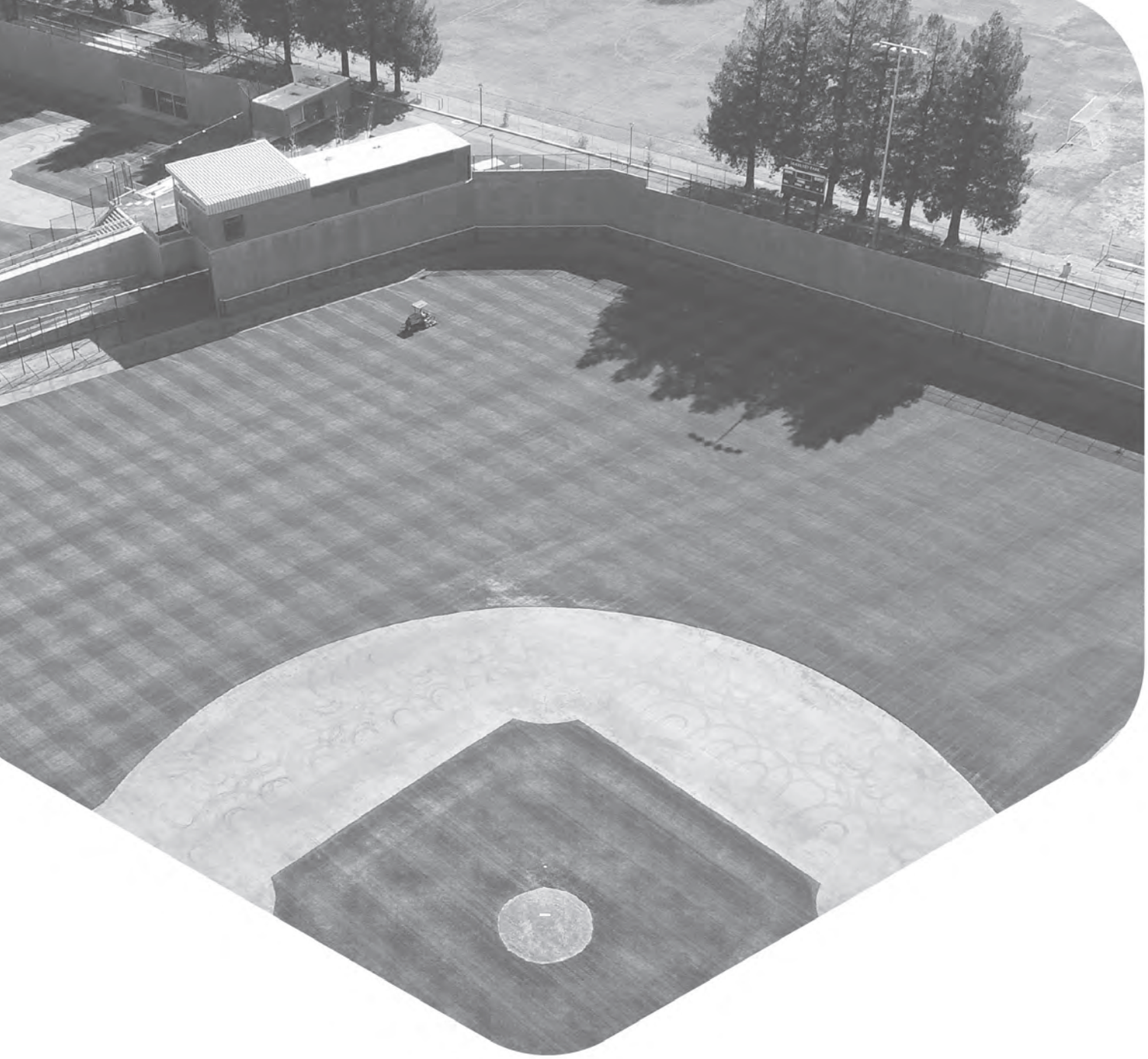


Valley Water Overview

FY 2020–21
Operating and Capital Budget

Valley Water Overview

The Santa Clara Valley Water District (Valley Water) is the largest multi-purpose water supply, watershed stewardship and flood management special district in California. Valley Water serves nearly two million people in Santa Clara County by providing a reliable and safe supply of water; enhancing streams and watersheds through creek restoration and habitat protection; providing flood protection for homes, schools and businesses; and partnering with other agencies to provide trails, parks and open space for community recreation.

Valley Water's unique multi-purposes enables it to use a comprehensive regional approach to water resources management and environmental protection that would not be possible if these services were fragmented among several agencies.

As the primary water resources agency for Santa Clara County, which is located at the southern end of the San Francisco Bay and is home to Silicon Valley, Valley Water encompasses all of the county's 1,300 square miles and serves the area's 15 cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale. Valley Water also serves the unincorporated areas of the county.

Collaboration with the community we serve is not only important, but has proven to result in more successful outcomes. By seeking public input, Valley Water is respecting the fact that our operations and projects have a direct impact on people's lives.

Community action created Valley Water, when farmers and business representatives formed the Santa Clara Valley Water Conservation Committee in the 1920s. At that time, groundwater supplies were being over-pumped, causing the land to subside, or sink. The committee pursued creation of an organization to manage and replenish groundwater supplies, and the resulting Santa Clara Valley Water Conservation District later constructed reservoirs throughout the county to conserve water. The 1929 Santa Clara Valley Water District Act gives Valley Water its authority to operate as a state special district, with jurisdiction throughout Santa Clara County.

Our mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.

The District Act authorizes Valley Water to: "...provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. Valley Water may take action to carry out all of the following purposes:

(a) to protect Santa Clara County from flood and storm waters of the district, including tidal flood waters and the flood and storm waters of streams that have their sources outside the district, but flow into the district;

(b) to protect from those flood or storm waters the public highways, life and property in the district, and the watercourses and watersheds of streams flowing within the district;

(c) to provide for the conservation and management of flood, storm, reclaimed, or recycled waters, or other waters from any sources within or outside the watershed in which the district is located for beneficial and useful purposes, including spreading, storing, retaining, and causing the waters to percolate into the soil within the district;

(d) to protect, save, store, recycle, distribute, transfer,

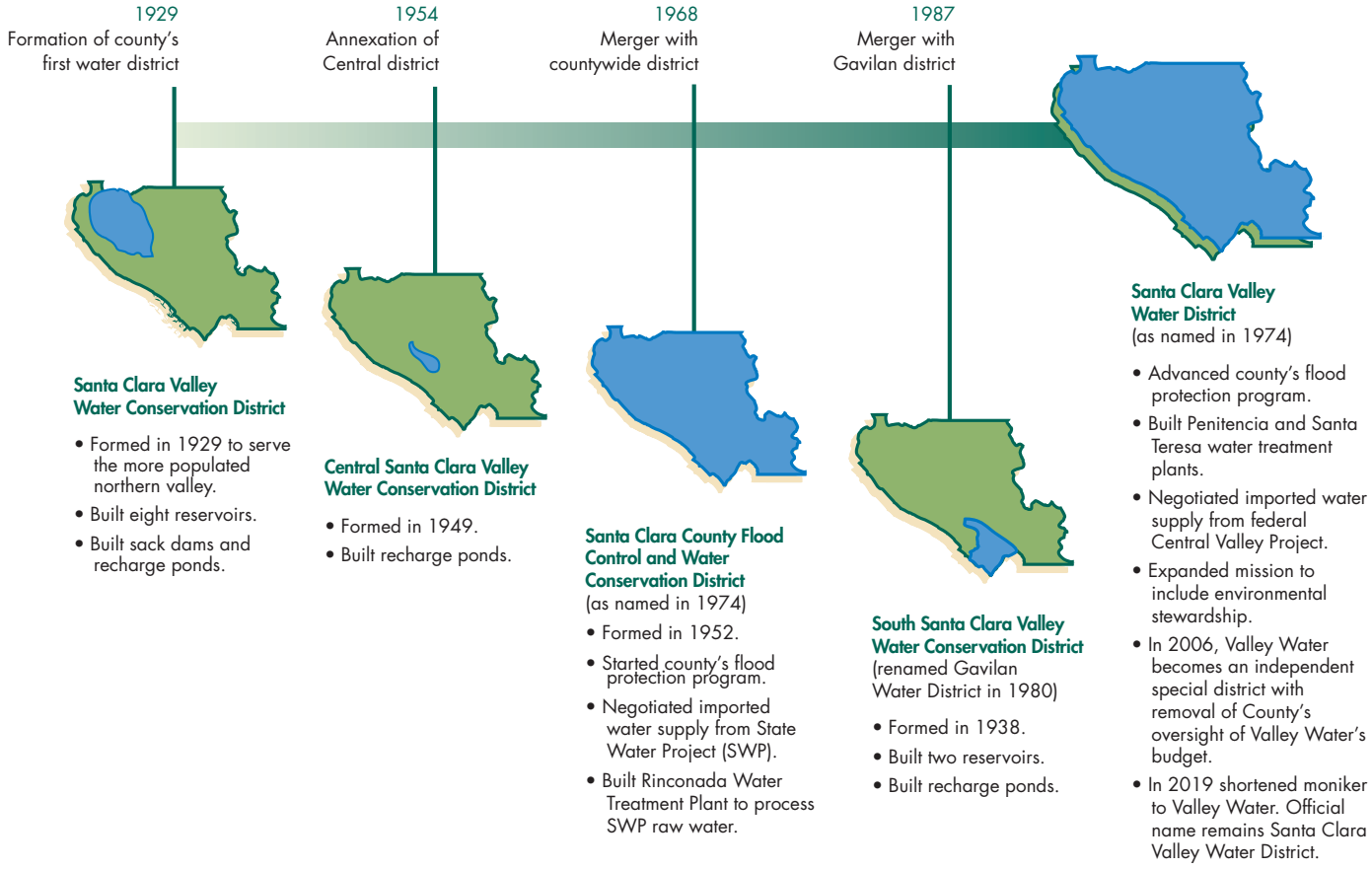
exchange, manage, and conserve in any manner any of the waters;

(e) to increase, and prevent the waste or diminution of, the water supply in the district;

(f) to obtain, retain, reclaim, protect, and recycle drainage, storm, flood waters or treated wastewaters, or other waters from any sources, within or outside the watershed in which Valley Water is located for any beneficial uses within the district;

(g) and to enhance, protect, and restore streams, riparian corridors, and natural resources in connection with carrying out the objects and purposes set forth in this section."

Evolution of the Santa Clara Valley Water District



Today's Santa Clara Valley Water District is the result of the consolidation of four agencies over time, as shown above. Valley Water's products and services have grown along with its increased levels of responsibility for critical water resource and environmental management functions.

Valley Water Overview

Local Economy

The COVID-19 pandemic has created a level of economic uncertainty in the country that is unprecedented and will continue to unfold into the future. According to the U.S. Bureau of Economic Analysis' (BEA) advance estimate released on April 20, 2020, the real gross domestic product (GDP), a comprehensive measure of the U.S. economic activity representing the value of goods and services produced in the United States, decreased at an annual rate of 4.8% in the first quarter of 2020.[1] The decline was, in part, due to the response to the spread of COVID-19, as governments issued "stay-at-home" orders in March. The April 2020 Bay Area Consumer Price Index (CPI), a measure of price of a "market basket" of goods and services such as energy, transportation and housing, decreased by 0.5% for the first time since 2003.[2] Silicon Valley's April unemployment rate was 12.0%, up from a revised 3.5% in March[3]; this is 1.5 percentage points higher than the recession-peak of 10.5% in the summer of 2009, yet remains lower than the approximately 22% of Silicon Valley's total workforce in the most at-risk industries (those that are considered non-essential)[4]. Between February and April of 2020, the Bay Area experienced a 25.4% decline in seasonally-adjusted hiring. This compares to a 1.2% decline in the month before the widespread COVID-19 cases.[5]

Prior to the COVID-19 pandemic, Silicon Valley was tracking nine continuous years of expansion since the Great Recession of 2008. Over that period, the Bay Area added 821,000 jobs, fueled by innovation. Regional GDP increased by $17 billion in 2019. The unemployment rate reached a 19-year low of 2.1%, compared to 3.9% in California, and 3.5% in the United States overall. Relative to the rest of the state and the nation, Silicon Valley continued to be a high-income, low-poverty region where income gains outpaced inflation over the past several years. 30% of Silicon Valley households earned $200,000 or more annually, 42% earned $150,000 or more. However, income inequality is at a historic high, and 13% of households hold more than 75% of the region's wealth. Despite a relatively low household poverty rate, nearly 30% of all Silicon Valley households did not earn enough money to meet their basic needs without public or private/informal assistance. Meanwhile, the cost of goods and services rose 2.7% in the past year, with childcare, housing, and transportation costs rising more precipitously. While home prices in the region declined by 6% in 2019, housing costs still remained the highest in the nation (with median home sale prices remaining well above $1 million). In a slow turnaround, residential building was keeping pace with current population growth, average household sizes were stabilizing, and the density of approved developments was significantly higher than for any other year on record. There were more affordable housing units approved in the most recent fiscal year than in the past twenty. However, most of the permits over the past four years (83%) were for units that were unaffordable to most first-time buyers and renters. Despite efforts to provide relief, 11,200 people across San Mateo and Santa Clara counties were homeless, including more than 1,000 children. On the commercial side, total amount of commercial space in the region hit an 18-year high, which reached 8.5 million square feet.

1. U.S. Bureau of Economic Analysis (BEA), 4/29/2020 News Release
2. Joint Venture Silicon Valley Institute for Regional Studies, April 15, 2020 CPI Data Release
3. State of California Employment Development Department (EDD), May 22, 2020 labor market info
4. Joint Venture Silicon Valley Institute for Regional Studies, May 22, 2020 Unemployment Data Release
5. Joint Venture Silicon Valley Institute for Regional Studies, May 11, 2020 Hiring Data Release

The total amount of commercial space under construction also reached a new high (peaking at 13.8 million square feet in Q2), and the region was seeing a resurgence in hotel development with 36 new hotels opened since 2014 and more in the approval process.[6]

Facing a changed economic climate and in preparation of the economic recovery that will ensue, the organization has refined project plans, prioritized business continuity and will be maintaining the operation of our essential services to continue to provide safe, clean water to Santa Clara County. Shovel-ready projects have been identified to prepare the agency to act on opportunities that will contribute to an economic recovery. At the same time, the FY 2020-21 Budget maintains a long-term outlook given the major infrastructure investments planned for the next 10 years. Valley Water will continue its ambitious capital program to help ensure a reliable and safe water supply, create jobs, and bolster the local economy.

6. Joint Venture Silicon Valley Institute for Regional Studies, 2020 Silicon Valley Index

Valley Water Overview

Governance and Board of Directors

The District Act outlines the structure, function and operations of Valley Water's Board of Directors, which governs Valley Water and directs the board appointed officers. Valley Water's Board of Directors is comprised of seven members each elected from equally-divided districts drawn through a formal process. The purpose of the board, on behalf of Santa Clara County, is to provide Silicon Valley safe, clean water for a healthy life, environment and economy. The directors serve overlapping four-year terms, a structure created pursuant to the adoption of the District Act. Elections are held in November of even number years. The Valley Water Board of Directors elects a new chair and vice chair annually in January.

The Board sets direction for Valley Water through its policy governance structure. Through adopted policies, the Board determines Valley Water's mission and goals and outcomes to be achieved for the good of the public. Specifically, the Board's Ends policies are the outcomes expected to be achieved by the organization for its customers. These include ensuring a safe, reliable source of water; flood protection; and environmental stewardship. The CEO dedicates resources to implement programs and projects that achieve the Board's Ends policies.

In meeting the Board's Ends policies, the CEO and other Board Appointed Officers (BAOs) are solely accountable to the Board for organizational performance, which is monitored quarterly. The Board annually reviews and updates Ends and Executive Limitations policies to ensure they reflect the Board's collective values and perspectives. The Board's Policies can be viewed at:
https://www.valleywater.org/ how-we-operate/board-governance-policies.

Board directorial districts

History Timeline

For 91 years, Valley Water has improved and expanded its products and services to meet the growing needs of Santa Clara County residents.

Early 1900s

Nearly 14,000 acres of orchards and vineyards are under irrigation in Santa Clara Valley. Local farmers begin noticing a significant drop in well water levels.

1920s

Concern over land subsidence from overpumping the groundwater basin leads farmers and business leaders to push for the formation of the Santa Clara Valley Water Conservation Committee.

1929: The Santa Clara Valley Water Conservation District is formed by the State Legislature.

1930s

Calero, Almaden, Guadalupe, Vasona, Stevens Creek and Coyote reservoirs are completed. Recharging of the underground aquifers begins.

1931, 1937 and 1938: Floods occur in the midst of drought and land subsidence.

1940s

Explosive post-war population growth.

1940-46: Major drought. Land subsidence worsens in north San Jose due to overpumping. Voters pass construction bonds for Lexington and Anderson dams for water storage and percolation.

1940, 1942 and 1943: Floods occur in the midst of drought and land subsidence.

1950s

Increased growth shifts county's water use from primarily agricultural to domestic and industrial. The South Santa Clara Valley Water Conservation District builds the Chesbro and Uvas dams.

The Central Santa Clara Valley Water Conservation District is annexed to the Santa Clara Valley Water Conservation District. Water conservation education begins in earnest.

1952: The County Board of Supervisors forms the Santa Clara County Flood Control and Water Conservation District to protect the county from flooding and supplement local water supply with imported water. The "Christmas Week" floods of 1955 leave thousands homeless. The Guadalupe River alone floods 8,300 acres, the worst flood on that river in recorded history.

1960s

1960: The county's population swells to 642,000.

1962: President John F. Kennedy and Gov. Edmund G. "Pat" Brown dedicate the San Luis Dam and Reservoir west of Los Baños.

1965: The state of California begins delivering water from the Sacramento-San Joaquin River Delta to Santa Clara County via the South Bay Aqueduct. Slowly, the addition of imported water to recharge efforts begins to reverse land subsidence; by 1969 it is halted for the first time in 40 years. Rinconada Water Treatment Plant begins drinking water treatment and distribution operations in Los Gatos.

1968: The Santa Clara Valley Water Conservation District and the Santa Clara County Flood Control and Water Conservation District merge to manage water supply and flood programs for most of the county.

1970s

The Santa Clara Valley Flood Control and Water District changes its name to the Santa Clara Valley Water District. Penitencia Water Treatment Plant comes on line.

1976-77: Historic drought years reduce deliveries from the State Water Project; Delta water is too salty to be percolated into local aquifers, but is still used by the treatment plants. Conservation efforts achieve a 22 percent drop in water usage.

Valley Water Overview

Environmental concerns are addressed as part of every construction project. Underground storage tanks are discovered leaking and potentially contaminating drinking water. The Santa Teresa Water Treatment Plant begins operation. Severe flooding occurs; voters approve funding for much-needed flood protection projects through benefit assessments.

1980: The South Santa Clara Valley Water Conservation District is renamed the Gavilan Water District.

1987: South county voters approve annexing Gavilan Water District to the Santa Clara Valley Water District. The federal Central Valley Project, San Felipe Division, begins delivery of imported water to the county from San Luis Reservoir just as the valley enters a seven-year drought period. The county's population nears 1.7 million.

1980s

The 1987-93 drought drives Valley Water to seek new sources of water through recycling, water banking and aggressive water conservation.

1995: Flooding in the county highlights the need for flood protection, especially on the Guadalupe River in downtown San Jose.

1997: Valley Water completes the IWRP long-term water supply planning process and initiates the Water Treatment Improvement Project (WTIP) to address increasingly stringent state and federal water quality standards. Coyote Creek flooded several sites between Morgan Hill and San José, causing damage to homes and businesses.

1998: Flooding occurs on San Francisquito Creek and in the county. Changing community priorities, a growing commitment to staff diversity, strict state and federal regulations and an evolving environmental ethic lead Valley Water into the 21st Century.

1990s

Valley Water takes a lead role in the fight against MTBE water contamination, addresses perchlorate contamination of more than 1000 South County wells and partners with local wastewater agencies to increase recycling. The first phase of the WTIP is completed and the second phase launched.

2000: County voters approved the Clean, Safe Creeks and Natural Flood Protection Plan (Measure B) and approve a special tax to ensure continuity of flood protection and stream stewardship services for 15 more years.

2005: The 15-year, $346 million Downtown Guadalupe Flood Protection Project is completed, protecting an estimated 95,000 people from flooding and restoring critical endangered species habitat.

2006: Santa Teresa Water Treatment Plant delivers Valley Water's first ozonated water, providing customers better-tasting, more healthful tap water.

2007: Assembly Bill 2435 is enacted, ending county oversight of Valley Water's budget and other procedural holdovers from the 1968 merger. Penitencia Water Treatment Plant begins delivering ozonated water to customers.

2009: Valley Water Board calls for 15% mandatory conservation in response to continuing water shortage; recession drives significant Valley Water budget reductions.

2010: Assembly Bill 466 enacted, increasing the boundaries for the Board of Directors from five to seven districts.

2012: 74% of county voters approve the Safe, Clean Water (Measure B), a special tax to ensure continuity of flood protection, dam maintenance and stream stewardship services for 15 more years.

2014: The Silicon Valley Advanced Water Purification Center is completed, producing 8 million gallons a day of purified recycled water to enhance the quality of recycled "purple pipe" water used for non-potable purposes and demonstrating technologies that can be used to purify water to augment drinking water supplies.

2000-20

2015: Entering the fourth year of drought, the Board adopted a resolution calling for a countywide water use reduction of 30% compared to 2013. Valley Water began a large scale modernization of the Rinconada Water Treatment Plant, the second-largest of Valley Water's plants.

2016: Mid-year, the Board voted to reduce the water use reduction target to 20%. The implementation of fluoridation was completed in December 2016 for South, East and North San Jose, and Milpitas.

2017: In January, the Board adopted a resolution continuing the 20% water use reduction target and three day per week watering restriction.

2018: After a 2017 flood impacted neighborhoods along Coyote Creek, the Board approved changes to Anderson Reservoir operations to reduce the risk of flooding downstream. Crews completed short-term flood protection improvements in the Rock Springs neighborhood before the winter began. The Board and the City of San Jose approved a new Emergency Action Plan to prepare for and respond to flooding on Coyote Creek.

2019: The California Water Commission awarded the Pacheco Reservoir Expansion Project $484.55 million under Proposition 1, and approved Valley Water's request for early funding of $24.2 million to proceed with next steps, such as completing environmental documents and permit applications. The project would expand Pacheco Reservoir's storage capacity to provide for increased emergency water supplies, improved water quality, and ecosystem benefits throughout our region and the Sacramento-San Joaquin Delta.

2020: Valley Water partners with the cities of Palo Alto and Mountain View to expand both recycling and advanced purified water efforts in Santa Clara County. The partnership will allow for the construction of a second regional purification center, owned by Valley Water, that will provide advanced purified water for future drinking water supplies. The agreement also calls for the construction of a salt-removal plant, owned and operated by City of Palo Alto, to provide higher-quality recycled water, primarily for irrigation and cooling towers.

Board Committees

Committees are made up of board members that advise the Board on an ongoing basis for an assigned subject purpose.

Board Policy and Planning Committee: Provides support to the Board in areas of:

1. Board planning process.
2. Board Committees' principles and structures.
3. Board and organization performance monitoring.
4. Other tasks as assigned by the Board.

Board Audit Committee: Assist the Board, consistent with direction from the full Board, to identify potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.

Board Ethics and Conduct Committee: Consider initiation of investigation of allegations against a Board member in accordance with Board Governance Policy GP-6.

Capital Improvement Program (CIP) Committee: Provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.

Diversity and Inclusion Ad Hoc Committee: Work on Board and Director identified diversity and inclusion issues.

Homeless Encampment Committee: Discuss homelessness and encampment issues and bring discussion and recommendations back to the Board.

Recycled Water Committee: Develop a long-term proposal for how Valley Water can work together with other local agencies on recycled water opportunities within Valley Water boundaries, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Water Conservation and Demand Management Committee: Support the Board in achieving its policy to provide a reliable water supply to meet current and future water usage by making policy recommendations related to demand management.

Water Storage Exploratory Committee: Receive and discuss information on issues related to additional water storage options.

Board Advisory Committees

Committees made up of constituents/elected officials that are formed and managed in accordance with Board resolution.

Agricultural Water Advisory Committee: To assist the Board with policies and issues pertaining to agricultural water supply and use, and in the annual review of groundwater production charges.

Environmental and Water Resources Committee: To assist the Board with policies and issues pertaining to water supply, flood protection and environmental stewardship.

Santa Clara Valley Water Commission: To assist the Board with policies and issues pertaining to water supply, flood protection and environmental stewardship, as well as in the annual review of groundwater production charges.

Santa Clara Valley Water District Youth Commission: Assist the Board with policy review and development, provide comment on activities in the implementation of Valley Water's mission for Board consideration, and to identify Board-related issues pertaining to public policy education, outreach, and all matters impacting Santa Clara County youth and Valley Water.

Joint Committees

Committees made up of board members and other agency staff that are formed to advise the Board and or in accordance with agreements, contracts, etc.

Joint Recycled Water Advisory Committee with the City of Sunnyvale: Develop a long-term proposal for how Valley Water and City of Sunnyvale can work together on recycled water opportunities, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Recycled Water Policy Advisory Committee with the City of San Jose/Santa Clara/TPAC: Required per term in the City–Valley Water 40-year Integration Agreement. The Committee shall tender its advice to Valley Water's Board of Directors and the City Council of the City of San José with respect to policy matters relating to the production, distribution and use of recycled water from facilities under administration by these agencies.

Joint Recycled Water Policy Committee with the Cities of Palo Alto, East Palo Alto, and Mountain View:
Develop a long-term proposal for how Valley Water and the Palo Alto Regional Water Quality Control Plant (RWQCP) partner agencies, other stakeholders, and interested parties, can work together on recycled water opportunities, to advance common interest, and to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Water Resources Committee with the Cities of Morgan Hill and Gilroy:
Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following:

1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin.
2. Facilitating policy discussion and sharing of technical information on water supply planning for South County.
3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan.
4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County.
5. Facilitating policy discussion and sharing of socio-economic information on homelessness in South County.

San Felipe Division Reach One Committee: Discuss the Initial Asset Evaluation Report, attempt to reach a joint recommendation for a Condition Level, and discuss policy issues.

Board Working Groups

Board Working Groups are made up of board members that advise the Board on an assigned subject/purpose, limited in scope and duration.

Delta Conveyance Authority Group: Information sharing.

FAHCE Committee:

1. Track the progress of Valley Water and other parties (Settlement Parties) of the FAHCE Settlement Agreement in completing requirements enabling dismissal of the water rights complaint and commencement of restoration program.
2. Identify and recommend actions the Board can take to ensure expeditious completion of the requirements defined in Purpose 1.

Financial Sustainability Group: Review organizational financial sustainability factors.

External Monitoring Committee

Committee made up of members of the community nominated by the Directors.

Safe, Clean Water Independent Monitoring Committee: Annually reviews the implementation of the intended results of the program and reports its findings to the Board, which makes the Committee report available to the residents and voters of Santa Clara County.

Groundwater Benefit Zones in Santa Clara County

As part of Valley Water's core water supply function, four distinct groundwater benefit zones form the basis for establishing District water charges. Zone W-2 roughly encompasses the Santa Clara Subbasin north of Metcalf Road. Zone W-5 encompasses the valley floor of the Llagas Subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River. Zone W-7 encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue. Zone W-8 encompasses portions of the outlying areas south of the Uvas and Chesbro reservoirs, west of Santa Teresa Boulevard, and generally north of Hecker Pass Highway. Water charges are set separately for each zone, reflecting Valley Water activities benefiting each zone.

Watershed Areas and Flood Control Zones of Santa Clara County

More than 800 miles of creeks flow through Santa Clara County. Valley Water works to protect both the natural attributes of these waterways and the communities that surround them as part of its watershed stewardship core function. Sixty-eight years of working for flood protection has reduced the intensity and frequency of flooding in Santa Clara County.

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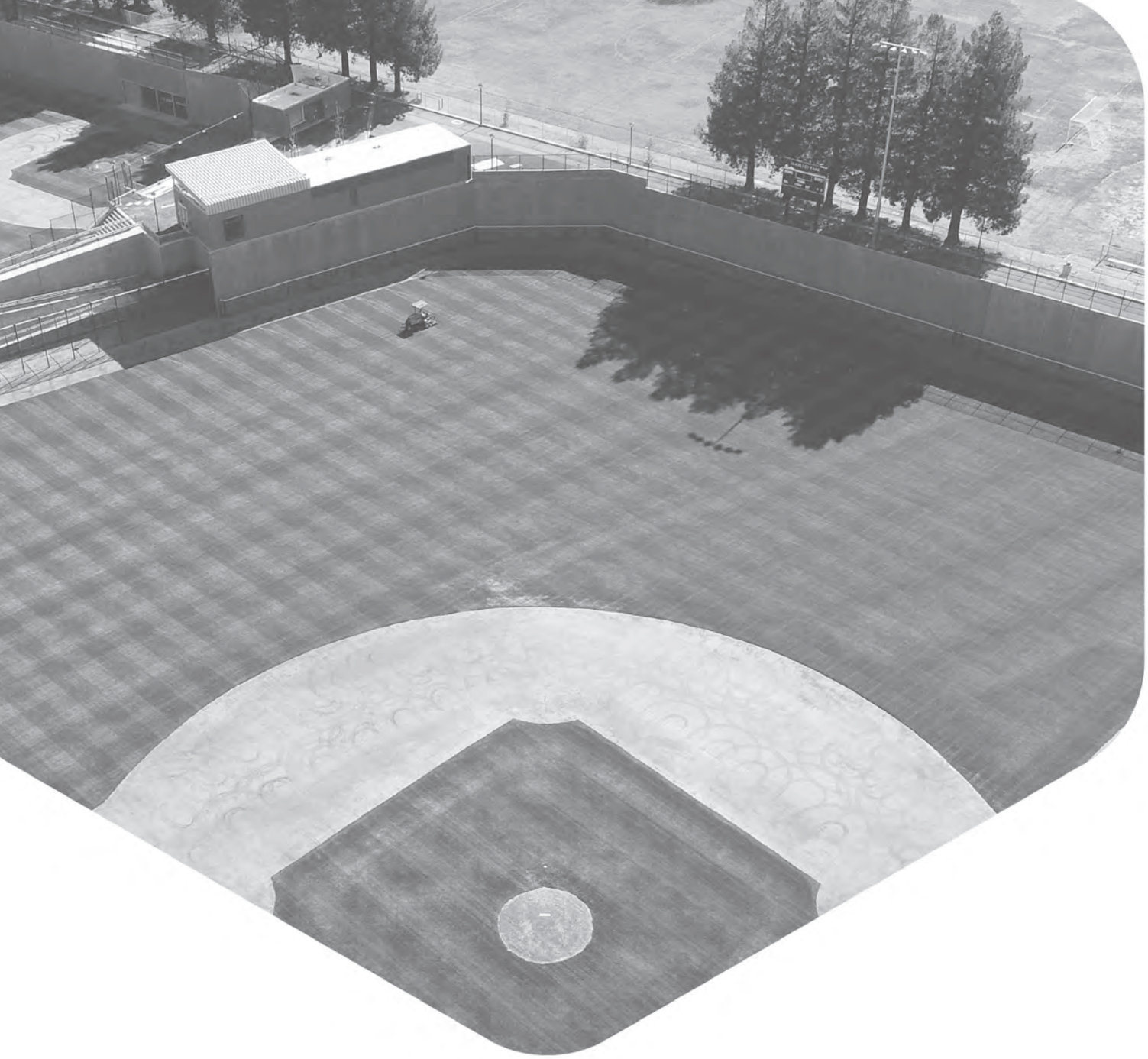
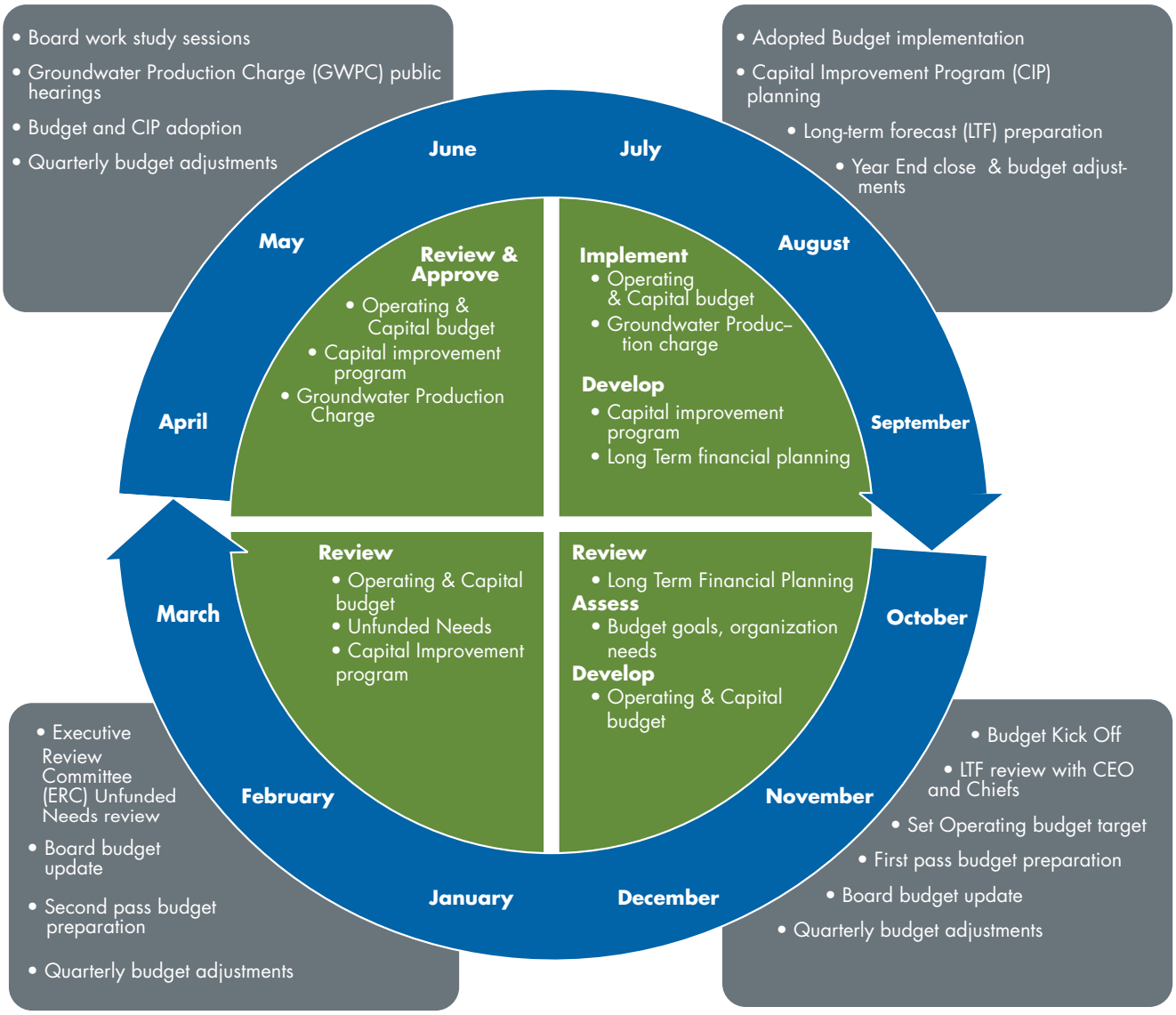


Financial Overview

FY 2020–21
Operating and Capital Budget

FINANCIAL OVERVIEW

Budget Process Overview



Financial Planning and Rate Setting

Every year staff prepare a rolling ten-year expenditure forecast that provides the basis for developing the budget targets and for analyzing the long-term financial sustainability of the various Valley Water funds. For the Water Utility Enterprise funds, Valley Water uses the "revenue requirements" methodology to set the groundwater production charge and other water charges for each zone. In general, costs associated with operations, capital, debt service and reserve requirements are estimated over a 10-year time frame. The amount not funded by property taxes, interest earnings, debt proceeds, and other income is covered by water charges. A water charge projection is calculated for each zone to recover the revenue requirements over a 10-year time period in accordance with the pricing policy (Board Resolution 99-21). The water charge setting process is conducted in accordance with the District Act and Board resolution 12-10, and includes the preparation of an annual report on the Protection and Augmentation of Water Supplies (PAWS). The report provides information on present and future water requirements for the County, water supply available to Valley Water, future capital and operating requirements, benefits and services provided by Valley Water, financing methods and water charges by zone. A series of public hearings and meetings are conducted with advisory committees and stakeholders to ensure that feedback is gathered for the Board to consider in establishing water charges each year.

Capital Improvement Plan

Valley Water prepares a Capital Improvement Program (CIP) annually. It is a 5-year rolling CIP, meaning that it is updated annually and covers the upcoming five-year period. The CIP is approved by the Board each year, and is publicly available for review. The CIP includes project descriptions, schedules and forecasts for capital funding needs. The CIP is the primary means of coordinating schedules and budgets on capital work.

For detail capital expenditure and impact of capital investments on operating budget, please visit: https://www.valleywater.org/public-review-documents.

Other Planning Documents

Valley Water's budget is informed by many planning documents including but not limited to:

- Protection and Augmentation of Water Supplies Report 2020-2021
- Water Utility Water Supply Master Plan
- Water Utility Groundwater Management Plan
- Water Utility Five Year Maintenance Work Plan
- Watersheds Five Year Operations and Maintenance Plan
- Stream Maintenance Program Manual
- Safe, Clean Water and Natural Flood Protection 5-Year Implementation Plan
- Requests of the 116th Congress
- 2020 Environment Stewardship Update
- Diversity and Inclusion Master Plan

Valley Water Fund Structure

Government Fund Type

General Fund
is Valley Water's primary operating Fund. It accounts for all financial resources not accounted for through other funds.

- General Fund

Special Revenue Funds
are used to account for specific revenue sources for which expenditures are restricted by law or regulation to finance particular watershed functions or activities of Valley Water.

- Watershed and Stream Stewardship Fund
- Safe, Clean Water and Natural Flood Protection
- Benefit Assessment
  - Lower Peninsula Watershed
  - West Valley Watershed
  - Guadalupe Watershed
  - Coyote Watershed
  - Uvas/Llagas Watershed

Proprietary Fund Type

Enterprise Fund
is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

- Water Enterprise Fund
- State Water Project Fund

Internal Services Funds
are used to account for the financing of goods or services provided by one department or agency of Valley Water to other departments or agencies on a cost-reimbursement basis.

- Fleet Management Fund
- Risk Management Fund
- Information Technology Fund

Basis of Budgeting

The annual budget is prepared using the modified accrual basis. Revenues are recognized only when they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the payments are incurred or a commitment is made through an encumbered purchase order.

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for per their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

Revenue

Revenue projections are, in general, taken from Valley Water's long-range planning documents. These planning tools are updated annually based on the best information available. They are documented annually as part of the Annual Report on the Protection and Augmentation of Water Supplies (PAWS), the Flood Control Benefit Assessments Report, and the Safe, Clean Water and Natural Flood Protection Report.

The FY 2020-21 Budget includes projected revenues of approximately $506.6 million. These revenues are a net increase of 1.0% from the $501.8 million included in the FY 2019-20 Adopted Budget. The net $4.8 million increase is primarily derived from the increase in the 1% ad valorem property taxes ($9.0 million), capital reimbursements ($11.0 million), as well as interest and other operating and non-operating revenues ($2.2 million), offset by a decrease of water charges revenue (-$16.3 million), Benefit Assessment revenues (-$1.1 million). The specific categories of revenue include:

Water Revenue

The main source of Valley Water revenue is from water charges projected at $261.1 million for FY 2020-21. Revenues from treated water continue to be the largest source with an estimated amount of $137.4 million. Groundwater production charges are budgeted at $121.1 million, and surface/recycled water sales are projected at $2.6 million. As instructed by the Board of Directors, this budget maintains water rates at the FY 2019-20 level in light of the unprecedented level of economic uncertainty. As FY 2020-21 will begin with no rate increase, staff will return to the Board at midyear with an updated assessment of the local economy, its impact on Valley Water, and any potential rate adjustments if appropriate. Further discussion on groundwater production charges, including the changes to the groundwater benefit zones, is provided in the Water Utility Enterprise Fund Summary section of this budget and also in the FY 2020-21 PAWS Report.

Property Tax

Property tax revenues are estimated at $128.9 million for FY 2020-21, an increase of 7.5% from the FY 2019-20 Adopted Budget. Valley Water benefits from two types of property taxes - 1% ad valorem ($110.9 million) and levies for State Water Project (SWP) indebtedness ($18.0 million). More information is included in the Major Sources of Revenue section later in this chapter.

Special Parcel Tax

The The Safe, Clean Water Program special parcel tax was approved by the voters in November 2012. The Special Parcel Tax for FY 2020-21 is budgeted at $45.5 million, and reflects no increase to the Special Parcel Tax rates relative to FY 2019-20.

Benefit Assessments

Benefit assessment revenue consists of levies approved by voters in 1986 and 1990 to support financing for flood control capital improvements, and are set at 1.25 times the duly authorized annual debt service requirements for assessed parcels in each watershed. Benefit assessment revenue budget is $12.4 million for FY 2020-21.

Capital Reimbursements

Capital reimbursements are from local, state and federal agencies for specified capital projects that are already completed or would be undertaken during this budget period. District-wide capital reimbursements are budgeted at $43.6 million for FY 2020-21. More information is included in the Major Sources of Revenue section.

Interest

Interest earnings are estimated to be $10.1 million in FY 2020-21, an increase of $2.2 million compared to FY 2019-20 Adopted Budget.

Intergovernmental Services

Intergovernmental Services revenue are reimbursements from cost sharing agreements with local cities and agencies. The FY 2020-21 totals $1.2 million in this category and is primarily comprised of reimbursements from the San Benito Water District ($528,000) for O&M San Felipe Reach 1 projects, Solano County ($305,000) for the IRWM Round 2 - Water Conservation Grant projects, and the State of California ($236,000) for the Proposition 1 – Water Conservation projects.

Other Revenue

Other Operating and Non-Operating Revenues comprised of receipts from minor sources such as rental income and the sale of vehicles totals $3.8 million.

Appropriations/Outlays

Net total operating and capital outlays for the FY 2020-21 Budget are $609.5 million. This figure does not include capital carry forward ($64.4 million) appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Funds charges ($91.1 million). Total operating and capital outlays total $700.6 million, which includes intra-district reimbursements of $91.1 million and are discussed in the following section, in more detail.

FY 2020-21 net operating outlays are $311.9 million, an increase of approximately $26.1 million compared to the FY 2019-20 Adopted Budget of $285.8 million.

The increase in net outlays reflects continued efforts to maintain service levels that support key strategic objectives. Objectives and issues facing Valley Water include but are not limited to:

- Infrastructure maintenance and construction needs (ensuring dam safety, managing infrastructure for reliability, care of Valley Water facilities and assets)
- Advancing Valley Water's interests in countywide storm water resource planning
- Active participation in decisions regarding California Delta Conveyance
- Leading efforts to advanced recycled and purified water efforts within Santa Clara County
- Pursuing efforts to increase water storage opportunities
- Attaining net positive impact on the environment when completing projects
- Advancing diversity and inclusion efforts

Valley Water is responding to these challenges in several ways as discussed in the Fund Summaries chapter.

Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. For FY 2020-21, the total is $91.1 million. Intra-district charges reimburse the General Fund and Service Funds

for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management.

Approximately, 60% of intra-district charges is paid by the Water Utility Enterprise, 40% by Watersheds Funds.

Capital Outlays

FY 2020-21 net capital project outlays total $235.8 million, an increase of $51.3 million as compared to the FY2019-20 Adopted Budget of $184.5 million. It is anticipated that $64.4 million of the FY 2019-20 adjusted budget for capital projects will be carried forward to FY 2020-21 as most capital projects require multiple years to complete. The capital budget represents the projects that have been identified and prioritized in the Five- Year Capital Improvement Program (CIP).

Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. For FY 2020-21, Valley Water anticipates issuing bonds or commercial paper for approximately $135.5 million to finance various Water Utility capital improvement projects.

Reserves

Overall, budgeted reserves for FY 2020-21 are estimated at $349.2 million, an increase of $6.3 million compared to the FY 2019-20 Adopted Budget level. The increase is primarily due to increases in the operating and capital reserves ($23.6 million), the Water Utility rate stabilization reserve ($2.4 million), and the Guiding Principal #5 Reserve ($3.6 million), offset by decreases in the currently authorized projects reserves (-$11.0 million), the Water Utility public-private partnership reserves (-$8.0 million), and the State Water Project Tax Reserve (-$4.8 million).

Staffing

The FY 2020-21 Budget includes 859 authorized positions, 8 limited-term positions and 4 management fellows, maintaining the adjusted FY 2019-20 staffing level. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits section in this chapter.

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
REVENUE						
Groundwater Production Charges	$ 81,922,689	$ 105,036,000	$ 98,050,000	$ 121,105,000	$ 16,069,000	15.3%
Treated Water Charges	143,998,219	169,519,000	156,495,000	137,399,000	(32,120,000)	(18.9)%
Surface & Recycled Water Charges	1,757,563	2,821,000	2,820,000	2,562,000	(259,000)	(9.2)%
Benefit Assessment	14,746,505	13,444,678	13,444,678	12,369,217	(1,075,461)	(8.0)%
Property Tax	130,189,099	119,951,653	126,223,887	128,902,000	8,950,347	7.5%
Parcel Tax	44,127,352	45,537,000	45,537,000	45,537,000	—	—
Intergovermental Services	4,104,067	1,237,000	1,162,000	1,242,326	5,326	0.4%
Operating Other	674,431	872,000	947,000	954,410	82,410	9.5%
Capital Reimbursements	26,673,149	32,618,000	50,721,000	43,608,000	10,990,000	33.7%
Interest Income *	12,997,494	7,850,000	12,950,000	10,050,000	2,200,000	28.0%
Non-Operating Other	4,146,534	2,958,000	2,958,565	2,887,975	(70,025)	(2.4)%
TOTAL REVENUE	**$ 465,337,102**	**$ 501,844,331**	**$ 511,309,130**	**$ 506,616,928**	**$ 4,772,597**	**1.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 303,977,897	$ 340,279,199	$ 347,382,805	$ 372,955,560	$ 32,676,361	9.6%
Operating Project	6,689,020	6,406,323	13,456,323	6,169,013	(237,310)	(3.7)%
Debt Service	42,599,874	58,607,155	58,607,155	61,811,513	3,204,358	5.5%
Total Operating Outlays	**$ 353,266,791**	**$ 405,292,677**	**$ 419,446,283**	**$ 440,936,086**	**$ 35,643,409**	**8.8%**
Capital Outlays						
Capital Projects	$ 175,455,273	$ 204,451,305	$ 332,491,017	$ 259,703,817	$ 55,252,512	27.0%
Carry Forward Capital Projects	—	71,151,000	—	64,362,188	(6,788,812)	(9.5)%
Total Capital Outlays	**$ 175,455,273**	**$ 275,602,305**	**$ 332,491,017**	**$ 324,066,005**	**$ 48,463,700**	**17.6%**
TOTAL OUTLAYS****	**$ 528,722,064**	**$ 680,894,982**	**$ 751,937,300**	**$ 765,002,091**	**$ 84,107,109**	**12.4%**
Less Intra-District Reimb	(72,042,287)	(80,846,963)	(80,846,963)	(91,131,585)	(10,284,622)	12.7%
NET OUTLAYS	**$ 456,679,777**	**$ 600,048,019**	**$ 671,090,337**	**$ 673,870,506**	**$ 73,822,487**	**12.3%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 45,121,546	$ 59,559,000	$ 72,934,459	$ 135,500,000	$ 75,941,000	127.5%
Transfers In	13,584,754	26,941,830	27,661,043	26,996,926	55,096	0.2%
Transfers Out	(13,584,754)	(26,941,830)	(27,661,043)	(26,996,926)	(55,096)	0.2%
TOTAL OTHER SOURCES/(USES)	**$ 45,121,546**	**$ 59,559,000**	**$ 72,934,459**	**$ 135,500,000**	**$ 75,941,000**	**127.5%**
BALANCE AVAILABLE	**$ 53,778,871**	**$ (38,644,688)**	**$ (86,846,748)**	**$ (31,753,578)**	**$ 6,891,110**	**(17.8)%**

Combined Fund Summary - All Funds (Continued)

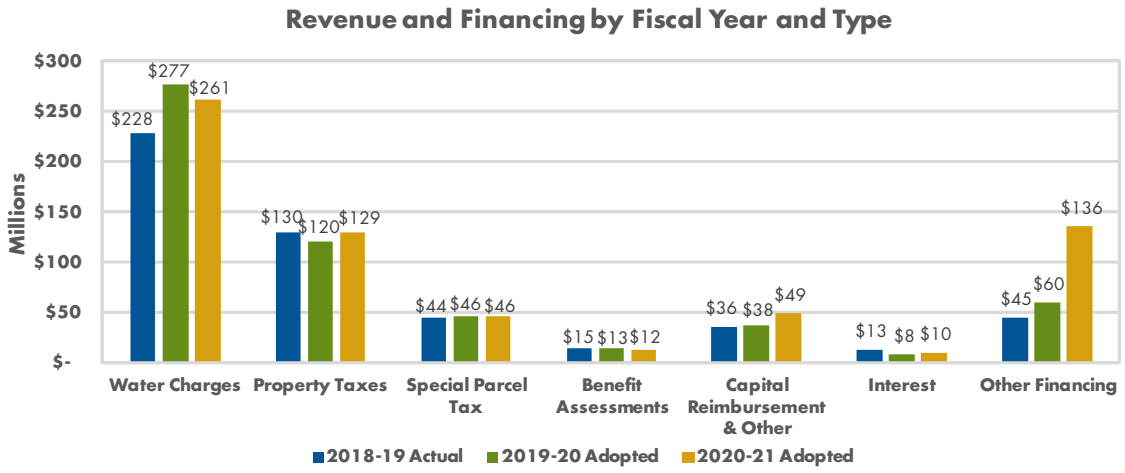
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 26,090,186	$ 23,467,000	$ 23,466,551	$ 25,878,053	$ 2,411,053	10.3%
WUE San Felipe Emergency	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
WUE State Water Project Tax Reserve	15,355,069	4,815,690	9,287,487	—	(4,815,690)	(100.0)%
CP Debt Service	287,226	—	—	—	—	—
WUE Public-Private Partnership (P3)	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
WUE SVAWPC	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
WUE Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5 Reserve	—	—	3,613,000	3,613,000	3,613,000	—
SCW Currently Authorized Projects	109,087,781	25,418,000	55,566,655	22,477,299	(2,940,701)	(11.6)%
SCW Operating and Capital Reserve	48,558,698	90,654,986	64,059,172	57,903,219	(32,751,767)	(36.1)%
Total Restricted Reserves	**$ 229,272,062**	**$ 181,601,676**	**$ 193,567,975**	**$ 139,506,681**	**$ (42,094,995)**	**(23.2)%**
Committed Reserves						
Currently Authorized Projects ***	$ 113,133,663	$ 29,807,000	$ 52,971,077	$ 21,698,185	$ (8,108,815)	(27.2)%
Benefit Assessment Reserve	1,097,604	—	—	—	—	—
Operating and Capital Reserve	109,934,575	118,325,138	121,020,494	174,680,591	56,355,453	47.6%
Workers Compensation Liability	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
Catastrophy - Property Self-Insurance	7,244,312	6,113,912	6,275,922	6,196,433	82,521	1.4%
Total Committed Reserves	**$ 238,495,754**	**$ 161,280,050**	**$ 187,353,093**	**$ 209,660,809**	**$ 48,380,759**	**30.0%**
TOTAL YEAR-END RESERVES	**$ 467,767,816**	**$ 342,881,726**	**$ 380,921,068**	**$ 349,167,490**	**$ 6,285,764**	**1.8%**

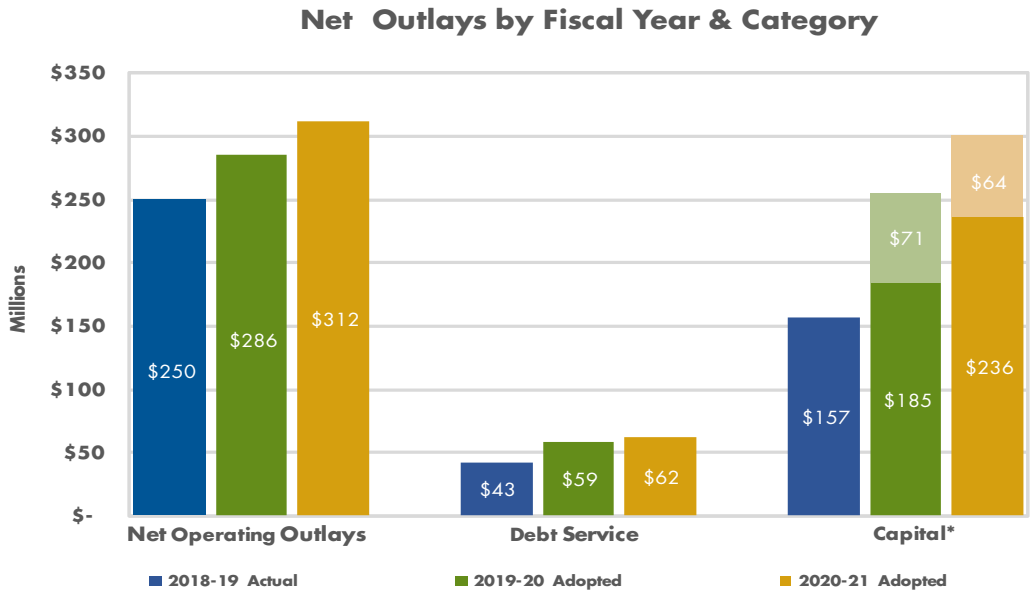
Combined Fund Summary - All Funds (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 122,322,972	$ 137,366,403	$ 137,366,403	$ 145,837,315	$ 8,470,913	6.2%
Salary Savings Factor	—	(3,718,721)	(3,718,721)	(3,776,645)	(57,924)	1.6%
Services & Supplies	127,673,308	152,126,574	166,280,180	169,845,234	17,718,660	11.6%
Intra-District Charges	60,670,637	60,911,267	60,911,267	67,218,668	6,307,401	10.4%
OPERATING OUTLAY TOTAL	**$ 310,666,917**	**$ 346,685,523**	**$ 360,839,129**	**$ 379,124,572**	**$ 32,439,050**	**9.4%**
DEBT SERVICE						
Services & Supplies	$ 884,622	$ 4,394,440	$ 4,394,440	$ 3,014,438	$ (1,380,002)	(31.4)%
Debt Service	41,715,253	54,212,715	54,212,715	58,797,075	4,584,360	8.5%
DEBT SERVICE TOTAL	**$ 42,599,875**	**$ 58,607,155**	**$ 58,607,155**	**$ 61,811,513**	**$ 3,204,358**	**5.5%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 29,729,076	$ 37,359,111	$ 37,359,111	$ 42,588,015	$ 5,228,904	14.0%
Salary Savings Factor	—	(1,021,387)	(1,021,387)	(1,142,476)	(121,089)	11.9%
Services & Supplies	127,272,927	148,177,884	276,217,596	194,345,362	46,167,478	31.2%
Carry Forward Capital Projects	—	71,151,000	—	64,362,188	(6,788,812)	(9.5)%
Intra-District Charges	18,453,271	19,935,697	19,935,697	23,912,916	3,977,219	20.0%
CAPITAL PROJECTS TOTAL	**$ 175,455,274**	**$ 275,602,305**	**$ 332,491,017**	**$ 324,066,005**	**$ 48,463,700**	**17.6%**
TOTAL OUTLAYS****	**$ 528,722,066**	**$ 680,894,983**	**$ 751,937,301**	**$ 765,002,090**	**$ 84,107,108**	**12.4%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

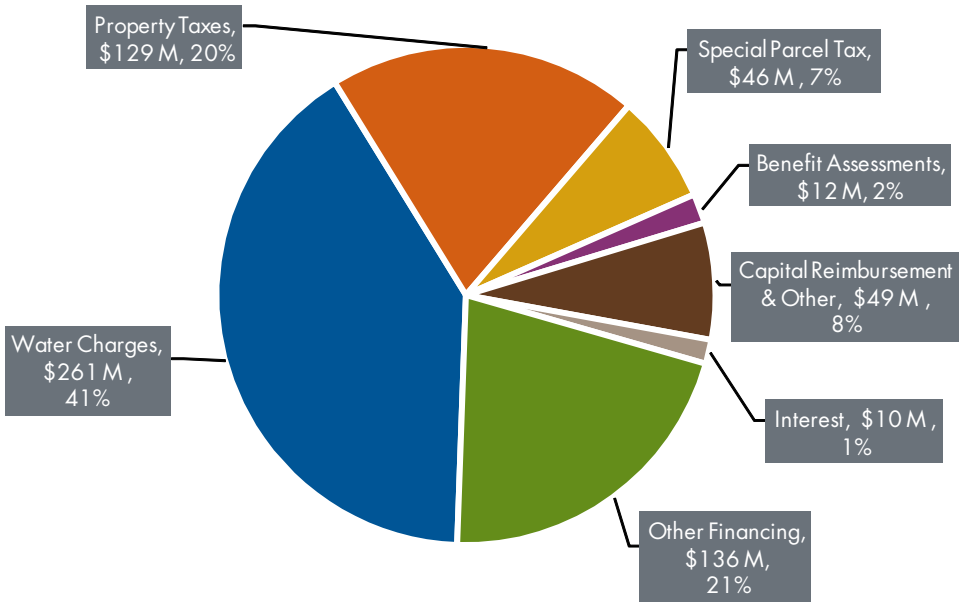
Revenue and Outlays



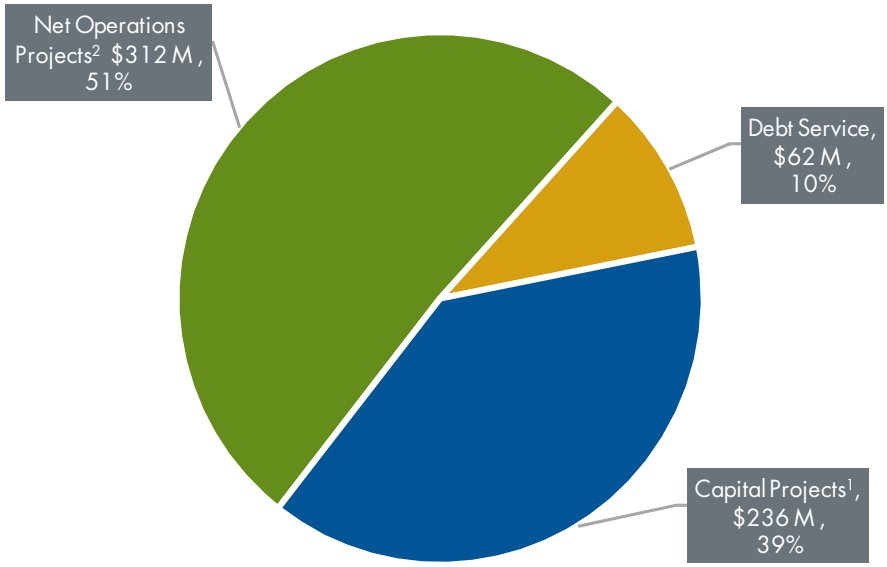


* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

FY 2020-21 Revenue and Debt Financing, $642 Million



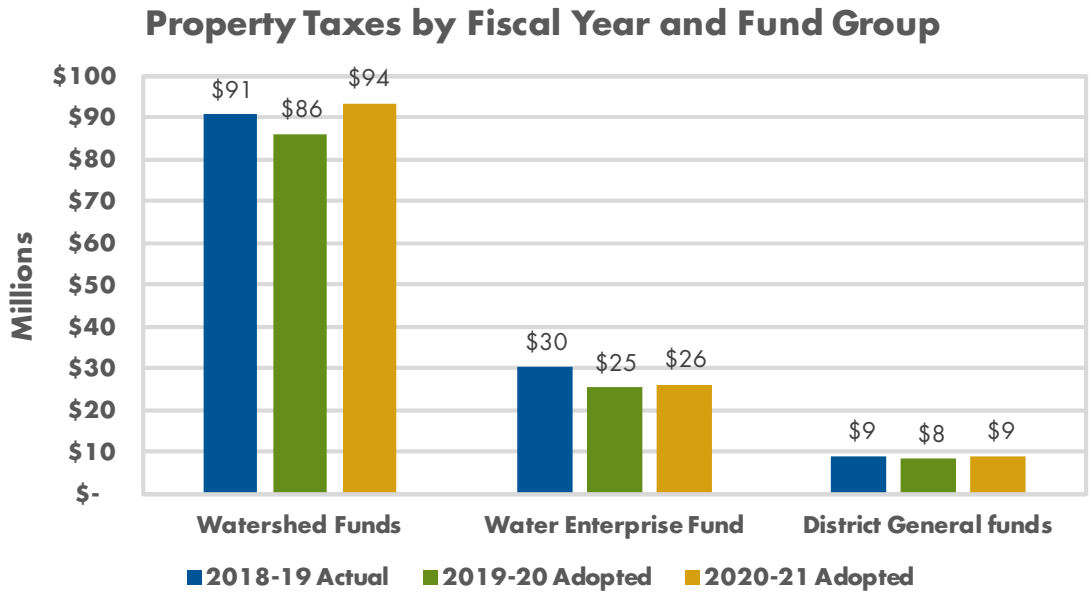
FY 2020-21 Net Outlays By Category, $610 Million

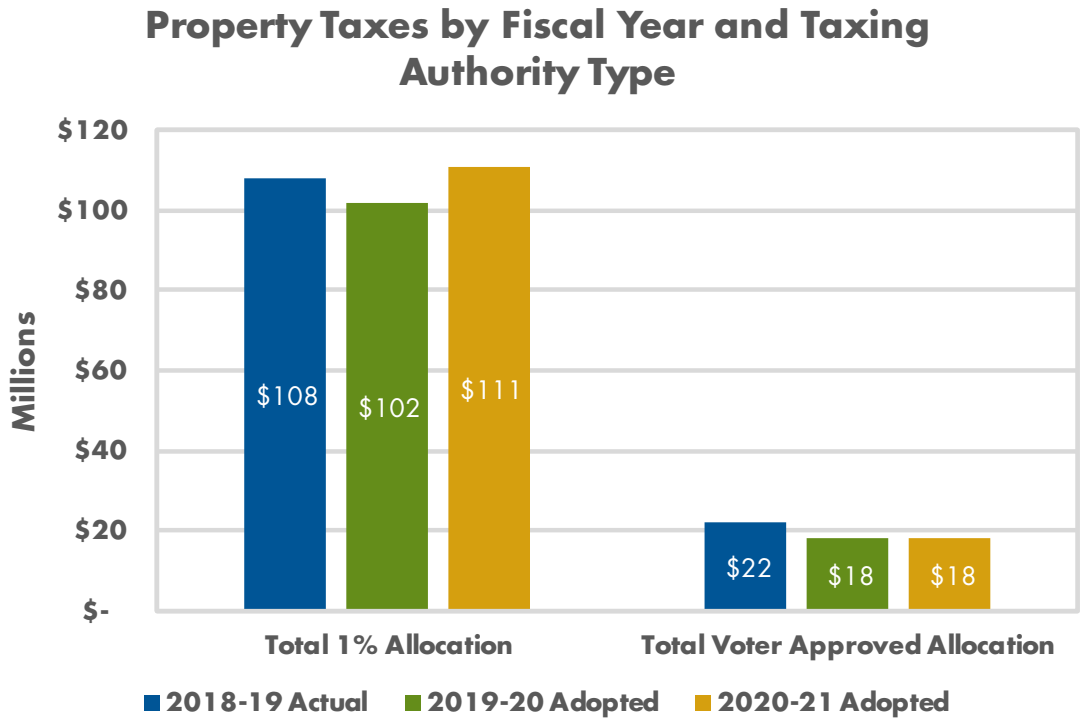


[1]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year
[2]Operations are net of intra-district reimbursements.

MAJOR SOURCES OF REVENUES

Property Taxes





Property Taxes

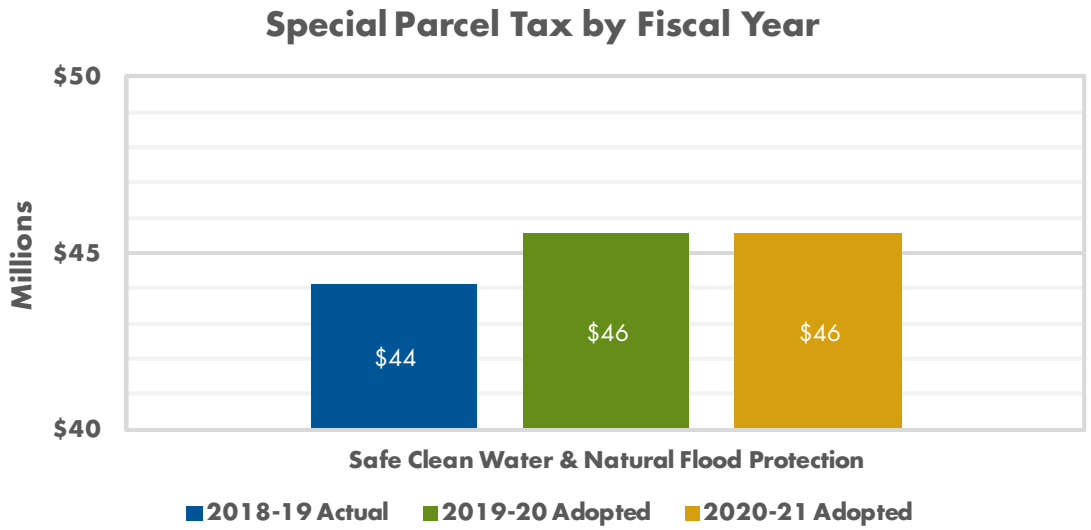
Valley Water's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2020-21, Valley Water is projecting $110.9 million in 1% Ad Valorem tax revenues, an 8.8% increase over the FY 2019-20 Adopted Budget. The increase is based on the assessed value of all property in Santa Clara County. Property sales and new construction were principal contributors to assessment roll growth in FY 2020-21.

Valley Water also levies a State Water Project property tax based on its annual indebtedness to the State pursuant to its water supply contract dated November 20, 1961. This indebtedness is part of Valley Water's SWP water purchase costs and pays for construction, maintenance and operation of SWP infrastructure and facilities. In FY 2020-21, total Valley Water expects to collect $18.0 million, the same amount as the prior fiscal year.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Property Tax						
1 % Ad Valorem Property Tax						
Watershed Funds	$ 90,726,811	$ 86,087,955	$ 91,119,811	$ 93,520,000	$ 7,432,045	8.6%
Water Enterprise Fund	8,124,104	7,451,232	8,087,232	8,217,000	765,768	10.3%
District General Fund	8,993,866	8,412,466	9,016,844	9,165,000	752,534	8.9%
Total 1% Allocation	**$ 107,844,781**	**$ 101,951,653**	**$ 108,223,887**	**$ 110,902,000**	**$ 8,950,347**	**8.8%**
State Water Project Debt Service	**$ 22,344,318**	**$ 18,000,000**	**$ 18,000,000**	**$ 18,000,000**	**$ —**	**—**
Total Property Tax	**$ 130,189,099**	**$ 119,951,653**	**$ 126,223,887**	**$ 128,902,000**	**$ 8,950,347**	**7.5%**

Special Parcel Tax



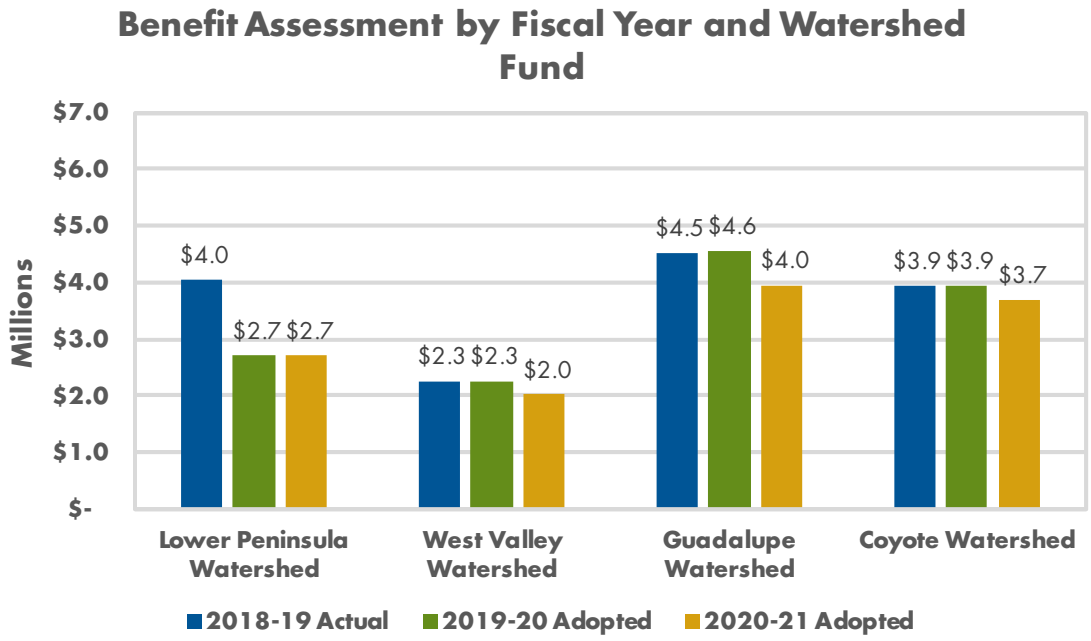
Special Parcel Tax

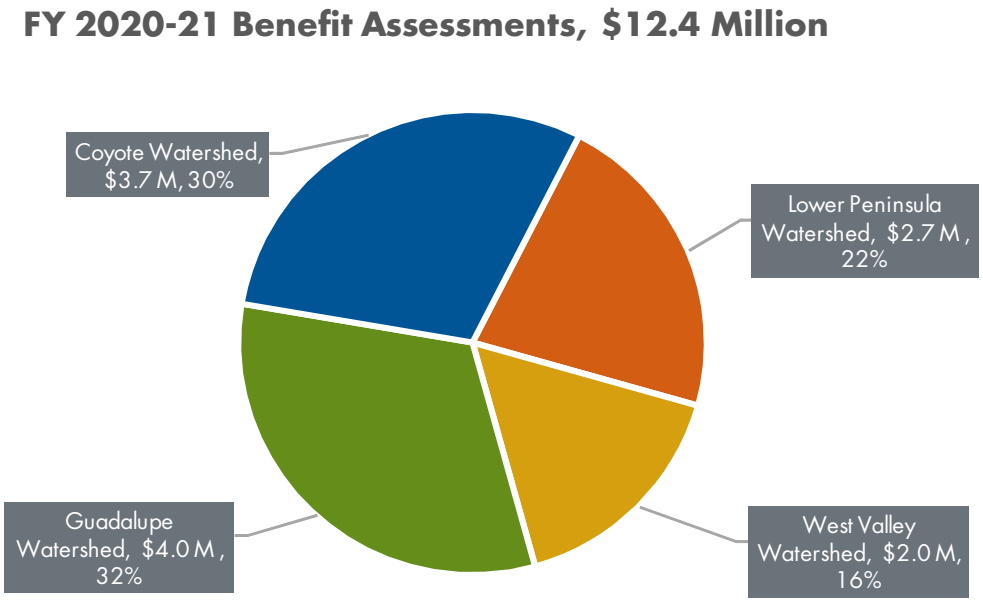
In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund the Valley Water's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks). In November 2012, two-thirds of the voters approved the Safe, Clean Water and Natural Flood Protection program that built upon the success of its predecessor Clean, Safe Creeks program and extended the special parcel tax another 15 years. The special parcel tax levy is based on the proportionate distribution of storm water runoff per parcel, and may be increased annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 3%, whichever is greater.

A report released by the Bureau of Labor Statistics indicates that the change in CPI from February 2019 to February 2020 is 2.91 percent. However for FY 2020-21, special parcel tax revenues are expected to be set flat to FY 2019-20, which would reflect a 0 percent increase. Although current financial projections show there will be a funding deficit at program-end primarily due to increased capital costs of the program, the expected rates are consistent with Board direction in response to the COVID19 Pandemic and intended to minimize impacts to the community during these unprecedented and uncertain times.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Special Parcel Tax						
Safe Clean Water & Natural Flood Protection	$ 44,127,352	$ 45,537,000	$ 45,537,000	$ 45,537,000	$ —	—
Total Special Parcel Tax	**$ 44,127,352**	**$ 45,537,000**	**$ 45,537,000**	**$ 45,537,000**	**$ —**	**—**

Benefit Assessment





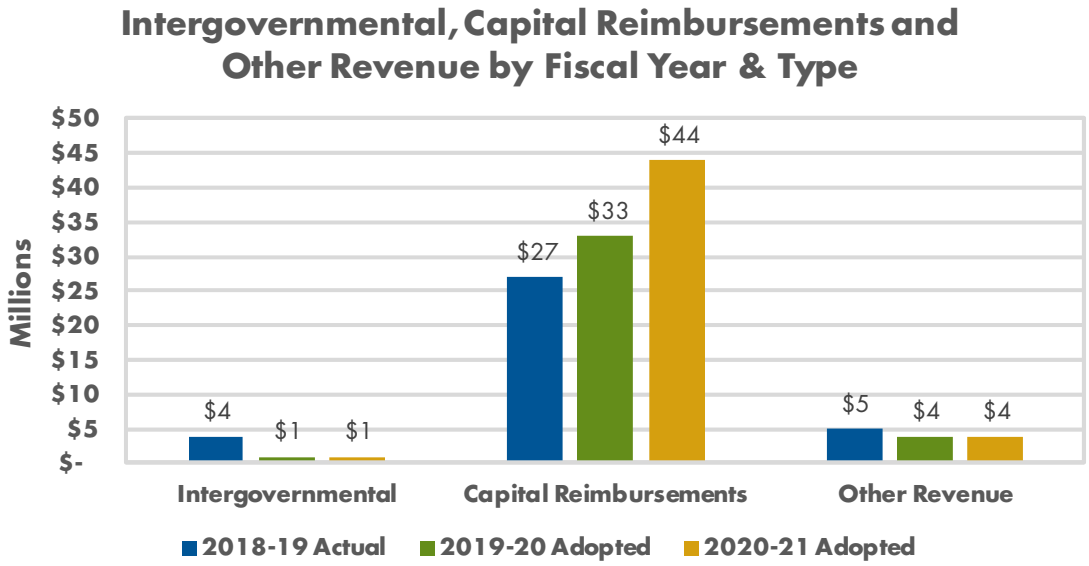
Benefit Assessment

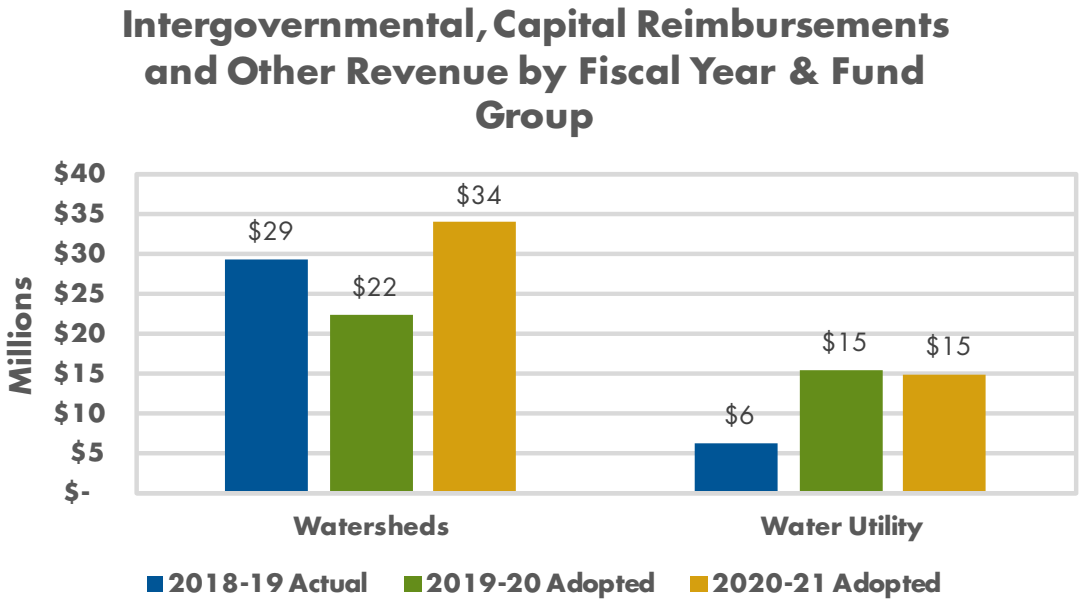
The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and later by the ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when the Valley Water would pay-off the bonds associated with this program.

FY 2020-21 continues under this debt repayment phase of the benefit assessment program with benefit assessments levied at 1.25 times the annual debt service. For FY 2020-21, the Benefit Assessment revenue receipts are anticipated to come in at $12.4 million, which includes a $1.1 million one-time reduction across the West Valley, Guadalupe and Coyote Watershed zones resulting from decreased reserve requirements identified in FY 2018-19. As Valley Water continues to pay down principal, the amount collected will decrease.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Benefit Assessment						
Lower Peninsula Watershed	$ 4,038,797	$ 2,704,524	$ 2,704,524	$ 2,707,674	$ 3,150	0.1%
West Valley Watershed	2,253,446	2,254,819	2,254,819	2,017,606	(237,213)	(10.5)%
Guadalupe Watershed	4,522,569	4,552,774	4,552,774	3,955,671	(597,103)	(13.1)%
Coyote Watershed	3,931,693	3,932,561	3,932,561	3,688,266	(244,295)	(6.2)%
Total Benefit Assessments	**$ 14,746,505**	**$ 13,444,678**	**$ 13,444,678**	**$ 12,369,217**	**$ (1,075,461)**	**(8.0)%**

Intergovernmental, Capital Reimbursements and Other Revenue





Intergovernmental, Capital Reimbursements and Other Revenue

Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue of $1.2 million for the Water Utility. These funds are primarily for reimbursement from the San Benito County Water District (SBCWD) for operating maintenance of the San Felipe Division Reach 1, and for conservation rebate programs funded by state grants and local cost sharing agreements.

Capital Reimbursement Revenue

Valley Water anticipates capital reimbursement revenue of $43.6 million.

Water Utility Enterprise receipts are budgeted at $11.4 million comprised of $1.3 million from SBCWD for small capital improvements on the San Felipe pipeline, $8.1 million from the California Water Commission for the Pacheco Reservoir Expansion project, $2.0 million of USBR Title 16 funding for the recycled water pipeline efforts in South County.

Total Watersheds capital reimbursements are budgeted at $32.3 million. Of this, $20.1 million is budgeted in the Watershed and Stream Stewardship Fund and $12.2 million is budgeted in the Safe, Clean Water Fund.

Watershed and Stream Stewardship reimbursements are comprised primarily of $2.8 million for Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd., $1.6 million for Cunningham Flood Detention Certification, $3.4 million for Lower Silver Creek, I-680 to Cunningham, $1.0 million for Lower Llagas Creek, Buena Vista Road to Pajaro Road, $10.8 million for the San Francisco Bay Shoreline, and $0.5 million for Guadalupe River, I-880 to I-280.

Safe, Clean Water reimbursements are comprised of State Subventions for Berryessa Creek, Calaveras Blvd. to I-680 ($0.8 million), Llagas Creek - Upper, Buena Vista Rd. to Wright Ave. ($9.2 million), and another for San Francisco Bay Shoreline ($2.2 million).

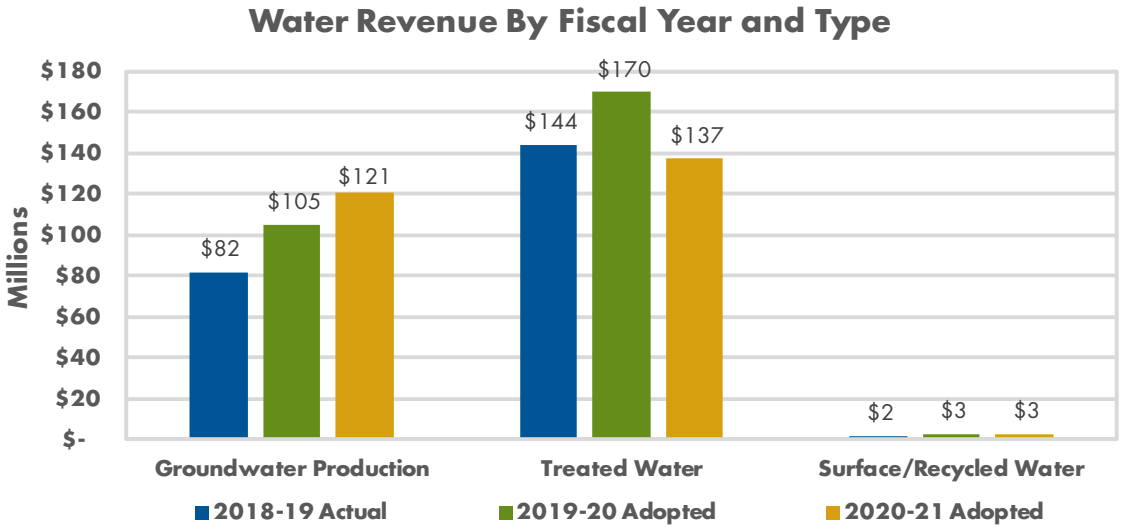
Other Revenue

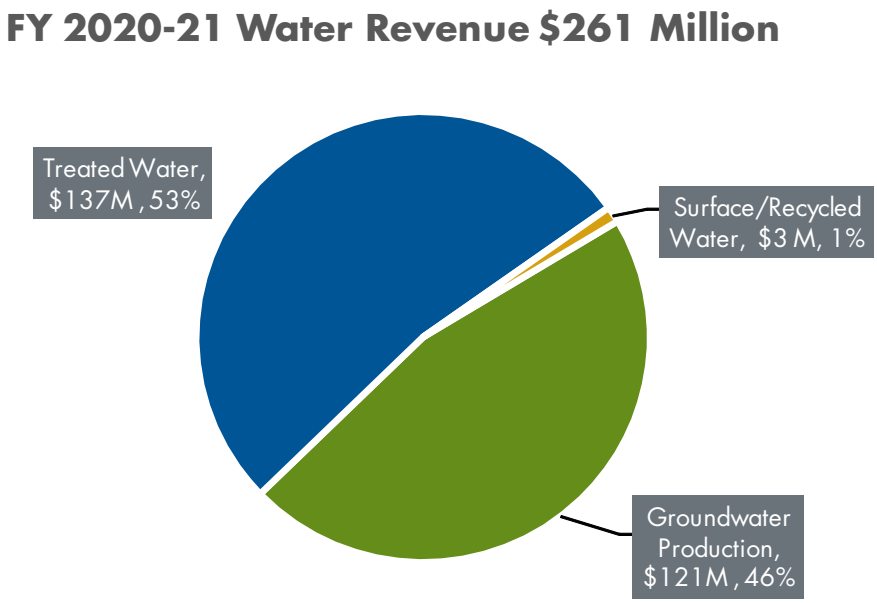
The Other Operating and Non-Operating Revenue category totals $3.8 million for FY 2020-21. Approximately $1.7 million is budgeted for the Watersheds, $2.1 million for Water Utility and $0.1 million for the Internal Service Funds.

Intergovernmental, Capital Reimbursements and Other Revenue

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Intergovernmental Services						
Watershed Funds	$ 1,217,555	$ —	$ —	$ —	$ —	—
Safe Clean Water & Natural Flood Protection	125,368	—	—	—	—	—
Water Enterprise Fund	2,754,161	1,237,000	1,162,000	1,242,326	5,326	0.4%
Internal Service Funds	6,984	—	—	—	—	—
Total Intergovernmental Services	**$ 4,104,068**	**$ 1,237,000**	**$ 1,162,000**	**$ 1,242,326**	**$ 5,326**	**0.4%**
Capital Reimbursements						
Watershed Funds	$ 1,567,679	$ 7,286,000	$ 25,461,000	$ 20,072,000	$ 12,786,000	175.5%
Safe Clean Water & Natural Flood Protection	23,956,804	13,476,000	14,344,000	12,178,000	(1,298,000)	(9.6)%
Water Enterprise Fund	1,148,667	11,856,000	10,916,000	11,358,000	(498,000)	(4.2)%
Total Capital Reimbursements	**$ 26,673,150**	**$ 32,618,000**	**$ 50,721,000**	**$ 43,608,000**	**$ 10,990,000**	**33.7%**
Other						
Watershed Funds	$ 2,180,175	$ 1,613,000	$ 1,613,374	$ 1,661,831	$ 48,831	3.0%
Safe Clean Water & Natural Flood Protection	416,915	—	—	—	—	—
Water Enterprise Fund	781,332	1,017,000	1,092,191	1,100,554	83,554	8.2%
State Water Project Fund	1,124,943	1,000,000	1,000,000	1,000,000	—	—
District General Fund	144,809	—	—	—	—	—
Internal Service Funds	172,792	200,000	200,000	80,000	(120,000)	(60.0)%
Total Other	**$ 4,820,966**	**$ 3,830,000**	**$ 3,905,565**	**$ 3,842,385**	**$ 12,385**	**0.3%**
Total Intergov'l & Other Revenues	**$ 35,598,184**	**$ 37,685,000**	**$ 55,788,565**	**$ 48,692,711**	**$ 11,007,711**	**29.2%**

Water Revenue





Water Revenue

Valley Water's water revenue is comprised of charges for the following types of water usage:

- **Groundwater Production**- Water produced by pumping from the underground water basins
- **Treated Water**- Water which has been processed through a Valley Water treatment plant
- **Surface Water**- Water diverted from streams, creeks, reservoirs, or raw water distribution lines
- **Recycled Water**- Wastewater which has been treated for use in crop irrigation, landscaping and industrial uses.

On April 28, 2020, the Board of Directors adopted new groundwater production charge benefit zones to be implemented July 1, 2020, and provided direction to staff to maintain water rates for FY2020-21 flat, with no increase. Staff will return to the Board at mid-year with updated assessment of the local economy and its impact on Valley Water in light of the unprecedented level of economic uncertainty caused by the COVID-19 pandemic. Water revenues budgeted for FY 2020-21 are based on staff's recommendations to the Board regarding the outcome of implementing both directives.

Revenue estimates reflect no change in groundwater production charges for the North County (modified Zone W-2) and for the Coyote Valley (new Zone W-7) from FY 2019-20. In the Llagas Subbasin (modified Zone W-5), revenue estimates reflect a decrease of 2.9% in the groundwater production charge when compared to FY 2019-20. In the Foothills below the Uvas and Chesbro reservoirs (new Zone W-8), revenue estimates reflect a decrease of 32.0% to the groundwater production charge relative to FY 2019-20. The charge reductions reflect adjustments to cost allocations based on the modified groundwater benefit zone, and also lower reliance on Valley Water services in these new zones than had been allocated to the single larger zone W-5 used for comparison in the prior year.

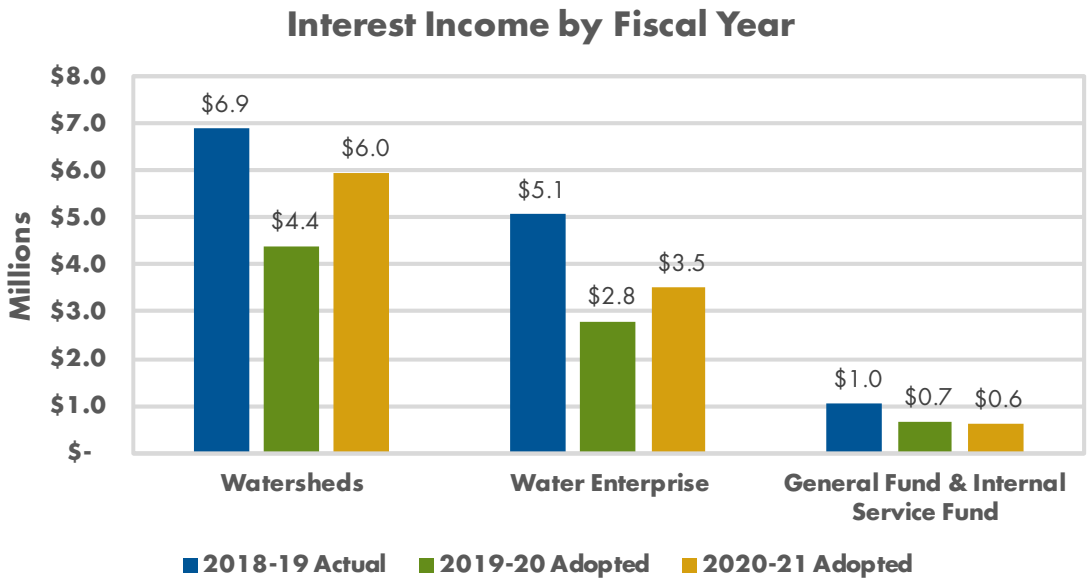
The FY 2020-21 revenue projection assumes water sales of roughly 230,000 acre-feet. Additionally, other sources such as Hetch Hetchy and local retail water supplies like San Jose Water Company, Stanford, and South Bay Water Recycling provide approximately 70,000 acre-feet of water to the Santa Clara County. Valley Water does not receive revenue for these sources of supply.

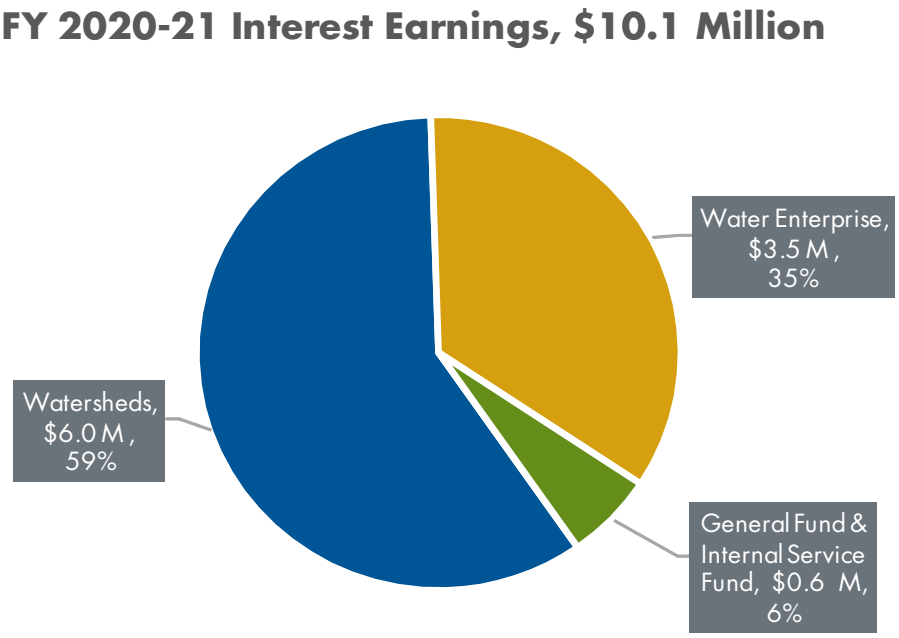
Water charges are necessary to pay for critical investments in water system infrastructure rehabilitation and upgrades, expanded storage capacity, and the development of future supplies including purified water. The water charges are shown in the accompanying Water Enterprise Fund schedules.

Water Revenue

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Water Revenue						
Groundwater Production Charges	$ 81,922,689	$ 105,036,000	$ 98,050,000	$ 121,105,000	$ 16,069,000	15.3%
Treated Water Charges	143,998,219	169,519,000	156,495,000	137,399,000	(32,120,000)	(18.9)%
Surface and Recycled Water Charges	1,757,563	2,821,000	2,820,000	2,562,000	(259,000)	(9.2)%
Total Water Revenue	**$ 227,678,471**	**$ 277,376,000**	**$ 257,365,000**	**$ 261,066,000**	**$ (16,310,000)**	**(5.9)%**

Interest Income





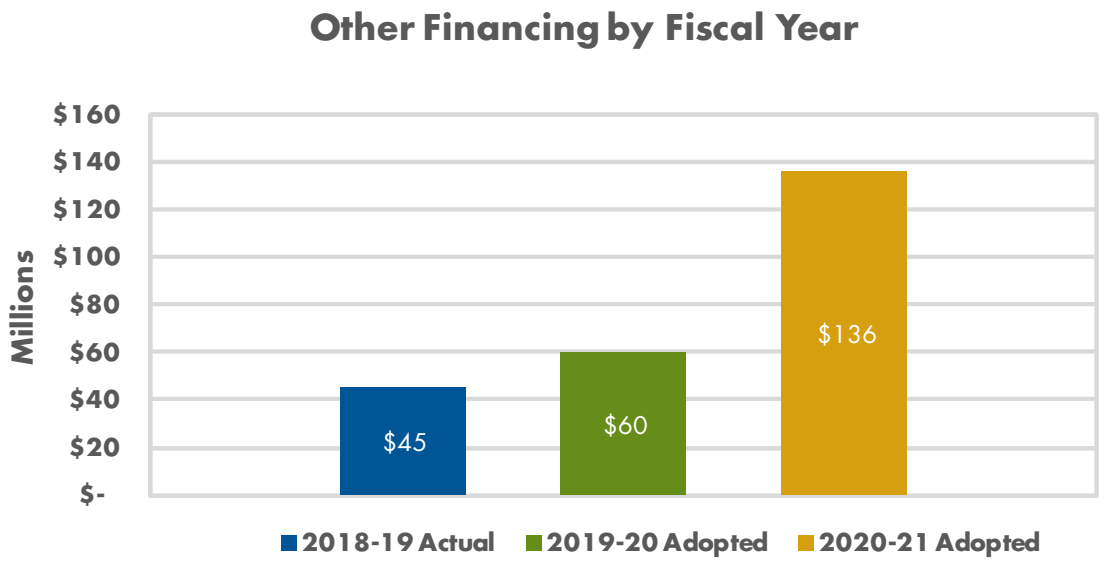
Interest Income

Valley Water invests funds not immediately required for daily operations in various securities as authorized by California Government Code 53600 et.al. Valley Water's investment policy limits portfolio holdings to obligations of the U.S. Treasury, U.S. federal agencies, the state of California's Local Agency Investment Fund, bankers acceptances, negotiable and time certificates of deposit, commercial paper, corporate notes and bonds, repurchase agreements, municipal obligations, mutual funds, and supranational obligations. Prohibited investments include securities not listed above, as well as fossil fuel companies, inverse floaters, range notes, interest-only strips derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, as specified in Section 53601.6 of the California Government Code. For additional information regarding the Valley Water's investment policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations and select District Debt and Investment Management.

The FY 2020-21 interest earnings revenue are estimated to be $10.1 million, an increase of $2.2 million versus FY 2019-20 Adopted Budget due to higher than assumed interest rates and cash balances. The estimates are using an average portfolio yield of less than 2.0% which is a reflection of the overall market environment.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Interest Income						
Watershed Funds	$ 2,916,838	$ 1,990,000	$ 3,000,000	$ 2,550,000	$ 560,000	28.1%
Safe Clean Water & Natural Flood Protection	3,976,306	2,400,000	3,850,000	3,400,000	1,000,000	41.7%
Water Enterprise Fund	5,066,270	2,800,000	5,300,000	3,500,000	700,000	25.0%
General Fund	287,894	150,000	200,000	200,000	50,000	33.3%
Service Funds	750,187	510,000	600,000	400,000	(110,000)	(21.6)%
Total Interest Income	**$ 12,997,495**	**$ 7,850,000**	**$ 12,950,000**	**$ 10,050,000**	**$ 2,200,000**	**28.0%**

Other Financing



The Other Financing Sources and Uses category typically includes one-time or ongoing non-revenue financial transactions. Debt financing instruments in this category include commercial paper, revenue bonds, and certificates of participation (COPs). These financing instruments may be issued to assist in refunding and financing the costs of acquisition, design, construction, improvement, and installation of certain flood control facilities, Safe, Clean Water projects and Water Utility projects.

Valley Water anticipates issuing approximately $135.5 million in debt proceeds from the bonds or commercial paper in FY 2020-21 for the Water Utility Enterprise fund.

All planned debt financing is factored in the Valley Water's long-term financial forecast models to ensure that pledged revenues are sufficient to meet or exceed the targeted debt service coverage ratio.

Interfund transfers are also included in this category. They are monies transferred internally between Valley Water Funds. They net to zero at the District-wide total, and therefore, are not displayed in the table below.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 45,121,547	$ 59,559,000	$ 72,934,459	$ 135,500,000	$ 75,941,000	127.5%
TOTAL OTHER SOURCES/(USES)	**$ 45,121,547**	**$ 59,559,000**	**$ 72,934,459**	**$ 135,500,000**	**$ 75,941,000**	**127.5%**

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SALARIES AND BENEFITS

Salaries and Benefits

The FY 2020-21 salaries and benefits budget is based on a total of 871 positions, which includes 859 authorized positions, 8 limited term positions, and 4 management fellows.

The total salaries budget is $120.4 million, an increase of $8.9 million from the FY 2019-20 Adopted Budget. The increase is primarily due to a 4% cost of living adjustment, step increases for eligible positions, 17 Board previously approved positions absorbed in the FY 2019-20 adjusted budget, which impact the FY 2020-21 Budget. Total salaries for FY 2020-21 include $121.2 million in regular salaries, less $4.9 million in salary savings, plus $4.1 million in overtime and special pay.

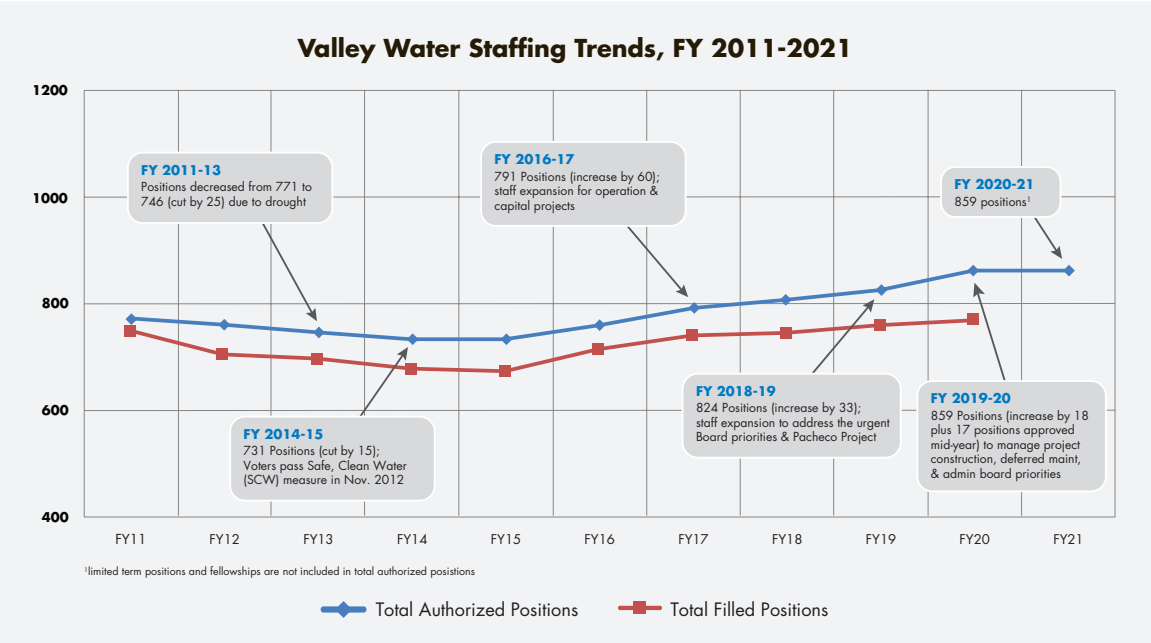
Total benefits are budgeted at $63.1 million, a $4.6 million increase over the FY 2019-20 Adopted Budget, which includes a $3.3 million increase in CalPERS and deferred compensation contributions, a $1.2 million increase in medical costs for active and retired employees, and $0.1 million increase in payroll taxes and other benefits.

A comprehensive organizational chart and detail information by division is included in the Division Summaries chapter.

Summary of Positions

	Adopted Budget FY 2018-2019	Adjusted Budget FY 2018-2019[2]	Adopted Budget FY 2019-20	Adjusted Budget FY 2019-20[3]	Adopted Budget FY 2020-21	Position Change
Board Appointed Officers[1]	77	103	104	77	77	—
External Affairs	32	35	36	39	39	—
IT & Administrative Services	149	122	122	160	160	—
Water Utility	334	341	341	309	309	—
Watersheds	221	223	239	274	274	—
Total Authorized Positions	**813**	**824**	**842**	**859**	**859**	**–**
Fellowships	4	4	4	4	4	—
Limited Term Positions	—	—	—	8	8	—
Total	**817**	**828**	**846**	**871**	**871**	**–**

(1) Board Appointed Officers Include: Chief Executive Officer, District Counsel and Clerk of the Board
(2) In FY 18-19, Human Resources Division was transferred from IT & Administrative Services to the Office of CEO; Board approved additional 11 positions for Pacheco Reservoir Expansion Project
(3) In FY 19-20, the Board approved 18 positions in adopted budget and additional 17 positions during the fiscal year to help strengthen critical core business functions. Human Resources Division transferred from Office of CEO to IT & Administrative Services. Water Utility Division transferred positions to Watersheds due to Division and Business unit transfers.



Salaries and Benefits

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Salaries-Regular Employee	$ 96,812,068	$ 112,214,277	$ 112,214,277	$ 121,216,118	$ 9,001,841	8.0%
Overtime	2,540,311	3,105,012	3,105,012	3,164,361	59,349	1.9%
Special Pays	720,811	889,231	889,231	923,214	33,983	3.8%
Salary Savings	—	(4,740,108)	(4,740,108)	(4,919,121)	(179,013)	3.8%
Total Salaries	**$ 100,073,190**	**$ 111,468,412**	**$ 111,468,412**	**$ 120,384,572**	**$ 8,916,160**	**8.0%**
BENEFITS						
Fed & State Taxes & Benefits	$ 1,447,163	$ 1,416,633	$ 1,416,633	$ 1,531,985	$ 115,352	8.1%
Retirement Contributions	26,558,847	29,344,421	29,344,421	32,620,914	3,276,493	11.2%
Group Ins-Active Employees	13,706,779	16,413,092	16,413,092	16,775,938	362,846	2.2%
Group Ins-Retired Employees	10,227,034	11,358,000	11,358,000	12,192,800	834,800	7.3%
Total Benefits	**$ 51,939,823**	**$ 58,532,146**	**$ 58,532,146**	**$ 63,121,637**	**$ 4,589,491**	**7.8%**
Net Total Salary & Benefits	**$ 152,013,013**	**$ 170,000,558**	**$ 170,000,558**	**$ 183,506,209**	**$ 13,505,651**	**7.9%**

Budget Hours

	Labor Hours 2018-2019	Labor Hours 2019-20	Labor Hours 2019-20	Labor Hours 2020-21	Change from 2019-20 Adopted	
					# Diff	% Diff
Salaries-Regular Employee	1,297,194	1,483,340	1,483,340	1,529,140	45,800	3.1%
Overtime	22,251	28,837	28,837	30,637	1,800	6.2%
Compensated Absences	241,662	268,707	268,707	276,111	7,404	2.8%
Total Salaries	**1,561,109**	**1,780,884**	**1,780,884**	**1,835,888**	**55,004**	**3.1%**

DEBT SERVICE

Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the Board of Directors (Board) to incur short and long term debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 of District Act authorize the Board to issue revenue bonds for the Water Enterprise Fund. Valley Water's debt issuance practices are governed under the California Government and Water codes. The District Act authorizes short-term debt (maturity of less than five years) of up to a limit of $8 million. Other provisions of state law authorize the issuance of short- term debt up to a specified percentage of revenue anticipated within a period of time.

Specifically, Valley Water may issue short term notes under the tax and revenue anticipation note statute included in the California Government Code (Sections 53850-53858). Under the tax and revenue anticipation note statute, Valley Water may issue notes for principal and interest which do not exceed 85% of the uncollected revenues of Valley Water on the date such notes are issued (and subject to certain other limitations including a 15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is separate authority for Valley Water to issue notes and any amount borrowed under the tax and revenue anticipation note statute is not limited by any other provision of law.

Board Policies - Executive Limitations

In addition to statutory requirements, the Board has adopted policies (Executive Limitations) related to debt:

EL-4.7 states that a Board Appointed Officer (BAO) shall:

"Not indebt the organization, except as provided in the District Act, and in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year." Furthermore, the BAO shall:

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of Valley Water, and without Board authorization;
- 4.7.2. Not issue debt without a demonstrated financial need;
- 4.7.3. Meet debt repayment schedules and covenants of bond documents;
- 4.7.4. Establish prudent Valley Water Debt Policies that are consistent with Board policies and provide guidance to Valley Water staff in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for Valley Water to carry and structuring debt repayment to address intergenerational benefits;
- 4.7.5. Be consistent with Valley Water's Debt Policies and any addendums when issuing debt;
- 4.7.6. Maintain strong credit ratings and good investor relations.

Debt Policy

Valley Water proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost. Consistent with these commitments, Valley Water shall periodically review the cost of its outstanding liabilities for opportunities to appropriately reduce these costs through refinancing or restructuring. The CEO shall present the results of these periodic reviews to the Board of Directors.

Covenants and agreements related to outstanding Certificates of Participation and Revenue Bonds are encompassed within the criteria of Senior Master

Resolutions adopted on June 23, 1994 (as amended from time to time), and the Parity Master Resolution adopted on February 23, 2016 (as amended from time to time). Coverage ratios required for debt service are set at 1.25 times the annual debt service for senior and parity lien debt. Valley Water is in compliance with all coverage ratio requirements for all outstanding debt. For additional information regarding Valley Water's debt policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations.

Bond Ratings

The bond ratings for Valley Water's outstanding debt reflect high grade investment quality debt. They are based on the Valley Water's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Outstanding Debt

Total debt includes Certificates of Participation (COPs), Commercial Paper and Revenue Bonds of $897.2 million as of June 30, 2020. Scheduled annual debt service for FY 2020-21 is approximately $61.8 million including fees. There are no balloon payments in the future years or significant fluctuations in annual debt service.

Currently outstanding for the Watersheds are Series 2017A COPs, with a final maturity of 2030 and the 2012A COPs, with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service. Currently outstanding for the Water Utility are 2006B Water Revenue Refunding Bonds with a final maturity of 2035, the 2007B Revenue Certificates of Participation with a final maturity of 2037, the Water System Refunding Revenue Bonds 2016A/B with a final maturity of 2046, the Revenue Certificates of Participation 2016C/D with a final maturity of 2029, the Water System Refunding Revenue Bonds 2017A with a final maturity of 2037, the Water System Refunding Revenues Bonds Series 2019A/B with a final maturity of 2049 and 2019 C with a final maturity of 2036, as well as the Commercial Paper Certificates which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the Valley Water Board.

Planned Issuances

Valley Water is planning the issuance of debt to finance the Safe, Clean Water program and the Water Utility Enterprise to finance the long-term capital improvement plan. The source of debt service repayment for the Safe, Clean Water program will be the special parcel tax approved by Santa Clara County voters in the November 6, 2012 election. Debt service for the Water Utility Enterprise is paid from water revenues. Bond covenants stipulate that Valley Water must maintain a minimum 1.25 debt service coverage ratio on all senior and parity bonds. Based on the financial models from the Water Utility Enterprise Finance organization, the projected debt service coverage ratios are as follows:

- FY 2020-21: 2.96
- FY 2021-22: 2.47
- FY 2022-23: 2.42
- FY 2023-24: 2.36
- FY 2024-25: 2.26

(Source: FY 2020-21 Annual Report on the Protection and Augmentation of Water Supplies)

Investment Portfolio

Valley Water's investment portfolio is invested with the following three priorities in mind: safety, liquidity and yield. Safeguarding taxpayers' money and ensuring that Valley Water has funds available when needed to meet expenditures are the two most important goals. Once those goals are satisfied, Valley Water strives to earn a market rate of return on its investments. About 80% of the portfolio is invested in government securities, such as federal agency notes and US treasury notes. The remainder of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund and money market mutual funds.

The investment holdings are reviewed for compliance with Valley Water's investment policy and California State Government Code by accounting staff on a monthly basis and by the Valley Water's independent auditor on an annual basis. In addition, Valley Water's investment committee holds meetings at least quarterly to review the portfolio performance.

In addition to statutory requirements, the Board has adopted policies (Executive Limitations or EL) related to investment:

EL-4.9 states that a Board Appointed Officer (BAO) shall:

- Not invest or hold funds of Valley Water in accounts or instruments that are inconsistent with the following statement of investment policies:
- 4.9.1. Public funds not needed for the immediate necessities of Valley Water should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for Valley Water consistent with the Board Investment Policy and applicable law.
- 4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.4.9.3. No investments will be made in fossil fuel companies with significant carbon emissions potential.

Bond Rating

	Water Utitily		Watershed
	Senior Debt	Parity Debt	Debt
Moody's	Aa1	Aa1	Aa1
Standard & Poor's	AA-	N/A	AAA
Fitch	N/A	AA+	AA+

Debt Service Payments Schedule

	Principal	Interest	Total[1]
Watersheds Certificates of Participation			
2020/21	$ 8,485,000	$ 3,082,450	$ 11,567,450
2021/22	8,860,000	2,703,500	11,563,500
2022/23	9,250,000	2,307,600	11,557,600
2023/24	9,665,000	1,894,100	11,559,100
2024/25 and thereafter	29,235,000	5,324,000	34,559,000
Total	**$ 65,495,000**	**$ 15,311,650**	**$ 80,806,650**
Water Utility Revenue Bonds / Certificates of Participation [2]			
2020/21	$ 17,790,000	$ 23,515,602	$ 41,305,602
2021/22	19,060,000	30,174,022	49,234,022
2022/23	19,770,000	29,460,549	49,230,549
2023/24	20,500,000	28,708,621	49,208,621
2024/25 and thereafter	633,570,000	378,593,664	1,012,163,664
Total	**$ 710,690,000[2]**	**$ 490,452,458**	**$ 1,201,142,458**
Commercial Paper			
2020/21	$ —	$ 3,822,000	$ 3,822,000
2021/22	—	6,285,000	6,285,000
2022/23	—	7,425,000	7,425,000
2023/24	—	9,834,000	9,834,000
2024/25 and thereafter	90,000,000	40,354,000	130,354,000
Total	**$ 90,000,000**	**$ 67,720,000**	**$ 157,720,000**
Total All Outstanding Debt			
2020/21	$ 26,275,000	$ 30,420,052	$ 56,695,052
2021/22	27,920,000	39,162,522	67,082,522
2022/23	29,020,000	39,193,149	68,213,149
2023/24	30,165,000	40,436,721	70,601,721
2024/25 and thereafter	752,805,000	424,271,664	1,177,076,664
Total	**$ 866,185,000**	**$ 573,484,108**	**$ 1,439,669,108**

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Water Utility projected principal and interest payments include the anticipated issuances of Series 2020A, 2020B, 2021A, & 2021B

Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper[1]

	Total Amount Sold	Date of Issue	True Interest Rate	Outstanding as of 6/30/20	2020-2021 Debt Service Payments		
					Principal	Interest	Total
Watersheds Indebtedness							
2017A COPs[2]	$ 59,390,000	3/7/2017	2.555%	$ 46,265,000	$ 3,955,000	$ 2,313,250	$ 6,268,250
2012A COPs	52,955,000	11/20/2012	1.409%	19,230,000	4,530,000	769,200	5,299,200
Safe, Clean Water Commercial Paper -TE[3]	30,000,000	various	3.600%	30,000,000	—	1,095,000	1,095,000
Total Watersheds	**$ 142,345,000**			**$ 95,495,000**	**$ 8,485,000**	**$ 4,177,450**	**$ 12,662,450**
Water Utility Indebtedness							
2006 Water Utility Refunding Revenue Bonds							
Series B - taxable	$ 25,570,000	12/21/2006	5.356%	$ 17,340,000	$ 860,000	$ 921,101	$ 1,781,101
Total	**$ 25,570,000**			**$ 17,340,000**	**$ 860,000**	**$ 921,101**	**$ 1,781,101**
2016 Water Utility Refunding Revenue Bonds							
Series A	$ 106,315,000	3/30/2016	3.252%	$ 106,315,000	$ —	$ 5,315,750	$ 5,315,750
Series B - taxable	75,215,000	3/30/2016	4.319%	75,215,000	—	3,229,621	3,229,621
Total	**$ 181,530,000**			**$ 181,530,000**	**$ —**	**$ 8,545,371**	**$ 8,545,371**
2016 Water Utility Revenue Certificates of Participation							
Series C	$ 43,075,000	3/30/2016	2.128%	$ 34,860,000	$ 3,295,000	$ 1,743,000	$ 5,038,000
Series D- taxable	54,970,000	3/30/2016	3.136%	44,295,000	4,275,000	1,375,657	5,650,657
Total	**$ 98,045,000**			**$ 79,155,000**	**$ 7,570,000**	**$ 3,118,657**	**$ 10,688,657**
2017 Water Utility Revenue Bonds							
Series A	$ 54,710,000	5/2/2017	3.126%	$ 49,630,000	$ 1,880,000	$ 2,481,500	$ 4,361,500
2019 Water Utility Refunding Revenue Bonds							
Series A	$ 15,225,000	4/25/2019	3.750%	$ 14,995,000	$ 240,000	$ 749,750	$ 989,750
Series B - taxable	80,030,000	4/25/2019	3.810%	78,400,000	1,670,000	2,834,910	4,504,910
Series C - taxable	38,280,000	11/26/2019	2.760%	36,990,000	1,860,000	915,179	2,775,179
Total	**$ 133,535,000**			**$ 130,385,000**	**$ 3,770,000**	**$ 4,499,839**	**$ 8,269,839**
2020 Water Utility Refunding Revenue Bonds							
Series A	$ 40,305,000	3/1/2020	4.160%	$ 40,305,000	$ 1,225,000	$ 1,101,670	$ 2,326,670
Series B - taxable	81,610,000	3/1/2020	4.360%	81,610,000	2,485,000	2,339,487	4,824,487
Total	**$ 121,915,000**			**$ 121,915,000**	**$ 3,710,000**	**$ 3,441,157**	**$ 7,151,157**
2021 Water Utility Refunding Revenue Bonds							
Series A	$ 77,570,000	3/1/2021	4.560%	$ 77,570,000	$ 1,000,000	$ 300,000	$ 1,300,000
Series B - taxable	53,165,000	3/1/2021	4.960%	53,165,000	1,000,000	310,000	1,310,000
Total	**$ 130,735,000**			**$ 130,735,000**	**$ 2,000,000**	**$ 610,000**	**$ 2,610,000**
WU Commercial Paper - TX[3]	90,984,000	various	4.100%	90,984,000	—	2,727,000	2,727,000
Total Water Utility	**$ 837,024,000**			**$ 801,674,000**	**$ 19,790,000**	**$ 26,344,625**	**$ 46,134,625**
Combined Total	**$ 979,369,000**			**$ 897,169,000**	**$ 28,275,000**	**$ 30,522,075**	**$ 58,797,075**

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Approximately $0.5M of the 2017A COPs annual debt service is funded by the general fund.
(3) The interest rates shown for the Commercial Paper reflect the planning rates for variable rate bonds for budgeting purposes. The actual rates are subject to change pending actual market conditions throughout the fiscal year.

RESERVE POLICY AND FUND BALANCES

Valley Water Reserve Policy

Valley Water Reserve Policy is reviewed annually with the Board of Directors pursuant to Executive Limitation 4.6 - Financial Planning and Budgeting - "At least annually present the Board with information about Valley Water's financial reserves and schedule an opportunity for the public to comment thereon."

The Governmental Accounting Standards Board (GASB) 54 statement, issued in March 2009, required that governmental agencies adopt new standards of reporting fund balance no later than the first fiscal year beginning after June 15, 2010. While the GASB 54 requirement was specifically issued for governmental type funds, Valley Water, under its conservative and prudent fiscal policy, extended the requirement to include the enterprise and internal service funds (Water Utility Enterprise, State Water Project, Fleet Management, Information Technology, and Risk Management).

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, Valley Water will strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner that allows Valley Water to fund costs consistent with the Capital Improvement Program, Integrated Water Resources Plan, and long range financial plans while avoiding significant water charge fluctuations due to changes in cash flow requirements. Valley Water will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures.

The level of reserves maintained and policies behind them are reviewed annually with the Board of Directors during budget deliberations.

Definitions

According to a GASB 54 statement issued in March 2009, there are four categories for reporting of fund balances depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund). NOTE: For the purpose of this reserve policy, only spendable fund balances are considered.
- Restricted fund balance - these are externally imposed legal restrictions or amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - these are self-imposed limitations or amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - these are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Valley Water reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. Within these categories are budgeted reserves and special purpose reserves which are defined as follows:

- Budgeted Reserves - Budgeted reserves may vary from those of the Comprehensive Annual Financial Report (CAFR) where it is appropriate to recognize actual cash transactions that are recorded in the CAFR as liabilities. Such adjustments include recognizing inter-fund loans, debt financing, and certain accruals as funding sources available for appropriation or as funding uses that reduce funds available for other purposes. These adjustments must be annually reconciled to the audited CAFR.
- Special Purpose Reserves, Water Utility Enterprise Fund – These reserves are per the Parity Master Resolution which allows establishment of special purpose reserves by District Board resolution. Amounts in the Special Purpose Reserves may be used to offset extraordinary expenses and to supplement Valley Water revenues to meet debt service coverage requirements. Special purpose reserves are restricted per debt financing agreements which are in accordance with bond covenants.

Restricted Reserves

Debt Service Reserve

These reserves were established for various bond issuances. The funds are not available for general needs of Valley Water and must be maintained as dictated in the bond covenants of the various issuances. Not all bond issuances may have all of the following reserves, but the primary debt reserves are: Debt Service Reserve Fund (to fund payments should Valley Water not be able to make debt service payments due to cash shortfalls), Arbitrage Rebate (to accumulate funds to offset the potential liability from excess earnings) and Debt Service Payment Fund (a pass-through reserve for initiating debt service payments).

Debt Proceeds Reserve

Bond covenants prescribe the use of debt financing proceeds. Debt proceeds typically fund capital projects as described in various bond issues. Debt proceeds, however, are not claimed until project expenses are incurred. Unclaimed debt proceeds are held in trust and identified in Debt Proceeds Reserves.

Rate Stabilization Reserve for Bond Covenant - Water Utility Enterprise Fund

The Parity Master Resolution for the Water Utility Enterprise requires the provision of a Rate Stabilization Reserve to offset expenses and revenue shortfalls, and to supplement Valley Water revenues to meet debt service coverage requirements. The minimum funding level is 10% of annual debt service due on all senior and parity obligations plus one month of adopted budget operations outlays. The specific level is to be financially prudent and based on reasonably anticipated needs.

Guiding Principal #5 (GP5) Reserve – Water Utility Enterprise Fund

In May 2018, Valley Water Board approved a resolution to establish GP5 – Equity and costs are important, to allow certain communities/agencies to receive Valley Water contributions in the form of additional, incremental, dedicated and segregated funds exclusively for water conservation programs, recycled water, purified water, wastewater treatment plant environment updates, automatic meter infrastructure (AMI) updates, or dedicated environmental focused grants from FY 2019 through FY 2024, subject to 20% matching funds from the communities receiving Valley Water contributions. This funding source is limited to communities/agencies that currently pay State Water Project tax but receive an average of 85% of their water supply from non-District managed supplies. Valley Water's contributions shall not exceed the State Water Project taxes paid by these communities/agencies. Any unspent funds shall be returned to Valley Water by FY 2026. The GP5 reserve was established in FY 2019-20, and will continue through FY 2025-26, as a sub-category of the Rate Stabilization Fund to set aside the unspent/unencumbered balances as approved by the Board in FY 2018-19. The minimum funding level for this reserve is $0. The specific level is to be financially prudent and

based on reasonably anticipated needs.

San Felipe Emergency Reserve - Water Utility Enterprise Fund

This special purpose reserve is required by Valley Water contractual obligations with the U.S. Bureau of Reclamation for the operation and maintenance of the San Felipe Division of the Central Valley Project. The purpose of the reserve is to provide resources for unusual operation and maintenance costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or emergencies threatening or causing interruption of water service.

Use of this reserve requires authorization by the U.S. Department of the Interior. Per contract, the funding level is accumulated in annual deposits of $200,000 until the reserve totals $1.75 million after which interest earned on the reserve is deposited annually.

Silicon Valley Advanced Water Purification Center Reserve - Water Utility Enterprise Fund

This special purpose reserve serves as a fund for replacement of micro-filtration modules, reverse osmosis elements, and ultraviolet lamps at the Silicon Valley Advanced Water Purification Center (SVAWPC). Per the Recycled Water Facilities and Programs Integration Agreement between the City of San Jose and the Santa Clara Valley Water District dated March, 2010, the annual contribution to the reserve may be up to $810,000 starting in FY 2009-10 and adjusted annually by 3% for inflation, thereafter, until such time that the reserve reaches the reserve cap. The reserve cap is set in FY 2013-14 at $2.6 million and is to be adjusted by 3% for inflation annually thereafter. The reserve cap is based on a five-year replacement schedule for the micro-filtration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses.

Supplemental Water Supply Reserve - Water Utility Enterprise Fund

This special purpose reserve funds water banking activities, transfers, and exchanges necessary to augment supplies during water shortages and to sell or bank unused supplies when water resources are available. The minimum funding level is set at 20% - 50% of the annual imported water purchases budget based on prudent projections of hydrology, Delta conditions, and the water market.

Drought Reserve - Water Utility Enterprise Fund

This special purpose reserve funds drought response costs necessary to protect the residents, industry and riparian ecosystems of Santa Clara County, and to minimize water charge impacts during a drought emergency (as determined by the Board). To minimize water rate impacts, this reserve may be funded by Board direction to allocate actual surplus revenue that may have occurred during the prior year. Surplus revenue is defined as the positive difference between actual Water Utility operating revenue and budgeted Water Utility operating revenue. This reserve may also be funded by planned appropriations, which would be paid for by water rates and approved by the Board during annual water rate adoption. Drought response costs may include but not be limited to: water purchases and exchanges; special studies or system improvements related to delivery of water purchases; incremental conservation activities; and accelerated or opportunistic operations and maintenance activities spurred by the drought. The maximum funding level is set at 10% of adopted budget operating outlays.

Public-Private Partnership (P3) Reserve – Water Utility Enterprise Fund

This special purpose reserve provides a funding source for costs associated with Valley Water's Public-Private Partnership (P3) to design, build, finance, operate and maintain the Expedited Purified Water Program. The

minimum funding level for this reserve is $0, and the maximum is $20 million. The specific level is to be financially prudent and based on reasonably anticipated needs.

State Water Project Tax Reserve - Water Utility Enterprise Fund

The purpose of the State Water Project Tax Reserve is to accumulate unspent funds for voter-approved State Water Project contract obligations. Funds accumulated in this reserve will be available to fund State Water Project contract obligations in subsequent years.

Currently Authorized Projects Reserve - Voter Approved Safe, Clean Water Fund

This reserve is designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of this reserve for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board-approved capital project appropriations remaining at the end of each fiscal year.

A portion of this reserve is automatically re-appropriated at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

Encumbrance Reserves - Voter Approved Safe, Clean Water Fund and State Water Project Fund

This reserve represents the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of this reserve will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

Operating and Capital Reserve - Voter Approved Safe, Clean Water Fund

The purposes of this reserve are to ensure adequate working capital for cash flow needs and to provide a funding source for operating and capital needs that arise during the year. The funding level is a minimum of 50% of adopted budget operations outlays. The minimum level includes remaining available resources after the needs of all other reserves have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

Committed Reserves

Liability/Workers' Compensation Self-Insurance Reserve - Risk Management Fund

The Liability/Workers' Compensation Self-Insurance Reserve is to ensure that Valley Water's self-insurance programs have adequate resources for general liability and workers' compensation ultimate payouts for both known and incurred but not reported claims.

Additionally, because of Valley Water's high self-insured retention, and low claims volume, it also provides for reserve funds to cover one large liability loss which would otherwise virtually deplete existing reserves. The reserve is based on an independent actuarial evaluations conducted bi-annually for general liability and workers compensation programs. The reserve level is set each year based on the actuarially determined confidence level for total claims liabilities discounted to present value. The reserve is intended to be used for claim payouts that are greater than those budgeted.

The Board of Directors approved funding of Workers' Compensation Reserve at 90 percent actuarial confidence level and funding of General Liability Reserve at 90 percent confidence level at the April 28, 2009 board meeting.

Property Self-Insurance/Catastrophic Reserve - Risk Management Fund

The Property Self-Insurance/Catastrophic Reserve purposes are to provide for uninsured property losses to Valley Water facilities such as pipelines and levees and to provide sufficient funds to initiate repair and recovery of damage to Valley Water facilities in advance of FEMA activation and reimbursement. The reserve may be used to pay for uninsured/uninsurable property losses which would adversely impact Valley Water operations and/or to cover all or a portion of District-paid expenses necessary to initiate immediate service restoration efforts. It is anticipated that in most cases, the reserves would be replenished from later reimbursement by FEMA for costs initially paid from this reserve. The reserve funding level is a minimum of 5 million adjusted for outstanding reimbursements.

When this reserve is used, the corresponding reimbursements received are deposited in the Risk Management Fund to replenish the reserve directly or through subsequent adjustments to intra-district Risk Management Fund charges.

Floating Rate Debt Payment Stabilization Reserve - Water Utility Enterprise Fund

This reserve is intended to stabilize the debt service payments on floating rate debt which by its nature fluctuates constantly. This reserve will be for long-term floating rate debt and not short-term floating rate debt (i.e., commercial paper). The reserve may be funded at 10% of the floating rate debt service interest payment. The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). The minimum amount is $0. Should payments for floating rate interest in a given fiscal year exceed budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

Operating & Capital Reserve - except for Safe, Clean Water Fund

These reserves serve several purposes: to ensure adequate working capital for cash flow needs; to provide a funding source for operating and capital needs that arise during the year and, in the case of the water utility, to protect against revenue shortage caused by unusually wet years. The funding level for the Water Utility is a minimum of 15% of adopted budget operations outlays and a minimum of 50% for the Watershed Funds. For the General Fund and Internal Service Funds, the funding level is a minimum of 5% of total adopted budget operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

Currently Authorized Projects Reserve - except for Safe, Clean Water Fund

These reserves are designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of these reserves for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board approved capital project appropriations remaining at the end of each fiscal year.

A portion of these reserves are automatically re-appropriated to projects at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these

reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

Assigned Reserves

Encumbrance Reserves - except for Safe, Clean Water Fund and State Water Project Fund

These reserves represent the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of these reserves will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

Market Valuation Reserves

The reserves for market valuation represent the increase/gain (only) in the market value of Valley Water's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB 31 requires Valley Water to report investments at fair market value in the Statement of Net Assets, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Due to this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, Valley Water's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, Valley Water holds all securities to their maturity, thereby not incurring any loss or gain that could impact the size and yield of the investment portfolio. These reserves do not represent cash available for appropriation and were established to ensure that the increase in the investment value does not result in an overstatement of funding available for expenditure.

Reserves Schedule

	Estimated Balances				Change from 2019-20 Adopted	
	Year-End 2018-19	Adopted 2019-20	Projected YE 2019-20	Adopted Budget 2020-21	$ Diff	% Diff
GENERAL FUND						
Committed Reserves						
Operating & Capital Reserve	$ 7,124,591	$ 4,318,026	$ 8,965,102	$ 5,732,805	$ 1,414,779	32.8%
Total General Fund Reserves	**$ 7,124,591**	**$ 4,318,026**	**$ 8,965,102**	**$ 5,732,805**	**$ 1,414,779**	**32.8%**
SPECIAL REVENUE FUNDS (WATERSHEDS)						
Restricted Reserves						
CP Debt Service	$ 98,384	$ —	$ —	$ —	$ —	—
Operating & Capital Reserve	48,558,698	90,654,986	64,059,172	57,903,219	(32,751,767)	(36.1)%
Currently Authorized Projects	109,087,781	25,418,000	55,566,655	22,477,299	(2,940,701)	(11.6)%
Total Resticted Reserves	**$ 157,744,863**	**$ 116,072,986**	**$ 119,625,827**	**$ 80,380,518**	**$ (35,692,468)**	**(30.8)%**
Committed Reserves						
Benefit Reserve	$ 1,097,604	$ —	$ —	$ —	$ —	—
Operating & Capital Reserve	85,295,706	70,522,113	91,078,182	103,370,091	32,847,978	46.6%
Currently Authorized Projects	46,911,936	11,673,000	17,040,972	12,142,988	469,988	4.0%
Total Committed Reserves	**$ 133,305,246**	**$ 82,195,113**	**$ 108,119,154**	**$ 115,513,079**	**$ 33,317,966**	**40.5%**
Total Special Revenue Funds Reserves	**$ 291,050,109**	**$ 198,268,099**	**$ 227,744,981**	**$ 195,893,597**	**$ (2,374,502)**	**(1.2)%**
Total Governmental Funds	**$ 298,174,700**	**$ 202,586,125**	**$ 236,710,083**	**$ 201,626,402**	**$ (959,723)**	**(0.5)%**
WATER ENTERPRISE & STATE WATER PROJECT FUNDS						
Restricted Reserves						
WUE- Rate Stabilization Reserve for Bond Covenant	$ 26,090,186	$ 23,467,000	$ 23,466,551	$ 25,878,053	$ 2,411,053	10.3%
San Felipe Emergency Reserve	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
State Water Project Tax Reserve	15,355,069	4,815,690	9,287,487	—	(4,815,690)	(100.0)%
CP Debt Service	188,842	—	—	—	—	—
WUE Public-Private Partnership (P3) Reserve	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE- Supplemental Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
SV Advanced Water Purification Center	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5	—	—	3,613,000	3,613,000	3,613,000	—
Total Restricted Reserves	**$ 71,527,199**	**$ 65,528,690**	**$ 73,942,148**	**$ 59,126,163**	**$ (6,402,527)**	**(9.8)%**
Committed Reserves						
Operating & Capital Reserve	$ 12,951,918	$ 41,436,874	$ 18,691,647	$ 61,994,081	$ 20,557,207	49.6%
Currently Authorized Projects	52,251,978	15,830,000	31,597,099	9,385,922	(6,444,078)	(40.7)%
Total Committed Reserves	**$ 65,203,896**	**$ 57,266,874**	**$ 50,288,746**	**$ 71,380,003**	**$ 14,113,129**	**24.6%**
Total Water Enterprise Funds Reserves	**$ 136,731,095**	**$ 122,795,564**	**$ 124,230,894**	**$ 130,506,166**	**$ 7,710,602**	**6.3%**

Reserves Schedule (Continued)

	Estimated Balances				Change from 2019-20 Adopted	
	Year-End 2018-19	Adopted 2019-20	Projected YE 2019-20	Adopted Budget 2020-21	$ Diff	% Diff
INTERNAL SERVICE FUNDS:						
Committed Reserves						
Operating & Capital Reserve	$ 4,562,360	$ 2,048,125	$ 2,285,564	$ 3,583,615	$ 1,535,490	75.0%
Currently Authorized Projects	13,969,749	2,304,000	4,333,006	169,275	(2,134,725)	(92.7)%
Liability/Workers' Comp Self Insurance	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
Property Self Insurance/Catastrophic	7,244,312	6,113,912	6,275,922	6,196,433	82,521	1.4%
Total Committed Reserves	**$ 32,862,021**	**$ 17,500,037**	**$ 19,980,092**	**$ 17,034,923**	**$ (465,114)**	**(2.7)%**
Total Internal Service Funds Reserves	**$ 32,862,021**	**$ 17,500,037**	**$ 19,980,092**	**$ 17,034,923**	**$ (465,114)**	**(2.7)%**
Total Proprietary Funds	**$ 169,593,116**	**$ 140,295,601**	**$ 144,210,986**	**$ 147,541,089**	**$ 7,245,488**	**5.2%**
TOTAL RESERVE SUMMARIES						
Total Proprietary Funds	$ 169,593,116	$ 140,295,601	$ 144,210,986	$ 147,541,089	$ 7,245,488	5.2%
Total Governmental Funds	298,174,700	202,586,125	236,710,083	201,626,402	(959,723)	(0.5)%
Total Year-End Reserves	**$ 467,767,816**	**$ 342,881,726**	**$ 380,921,069**	**$ 349,167,491**	**$ 6,285,765**	**1.8%**
Total Restricted Reserves	229,272,062	181,601,676	193,567,975	139,506,681	(42,094,995)	(23.2)%
Total Committed Reserves	238,495,754	161,280,050	187,353,094	209,660,810	48,380,760	30.0%
Total Year-End Reserves	**$ 467,767,816**	**$ 342,881,726**	**$ 380,921,069**	**$ 349,167,491**	**$ 6,285,765**	**1.8%**

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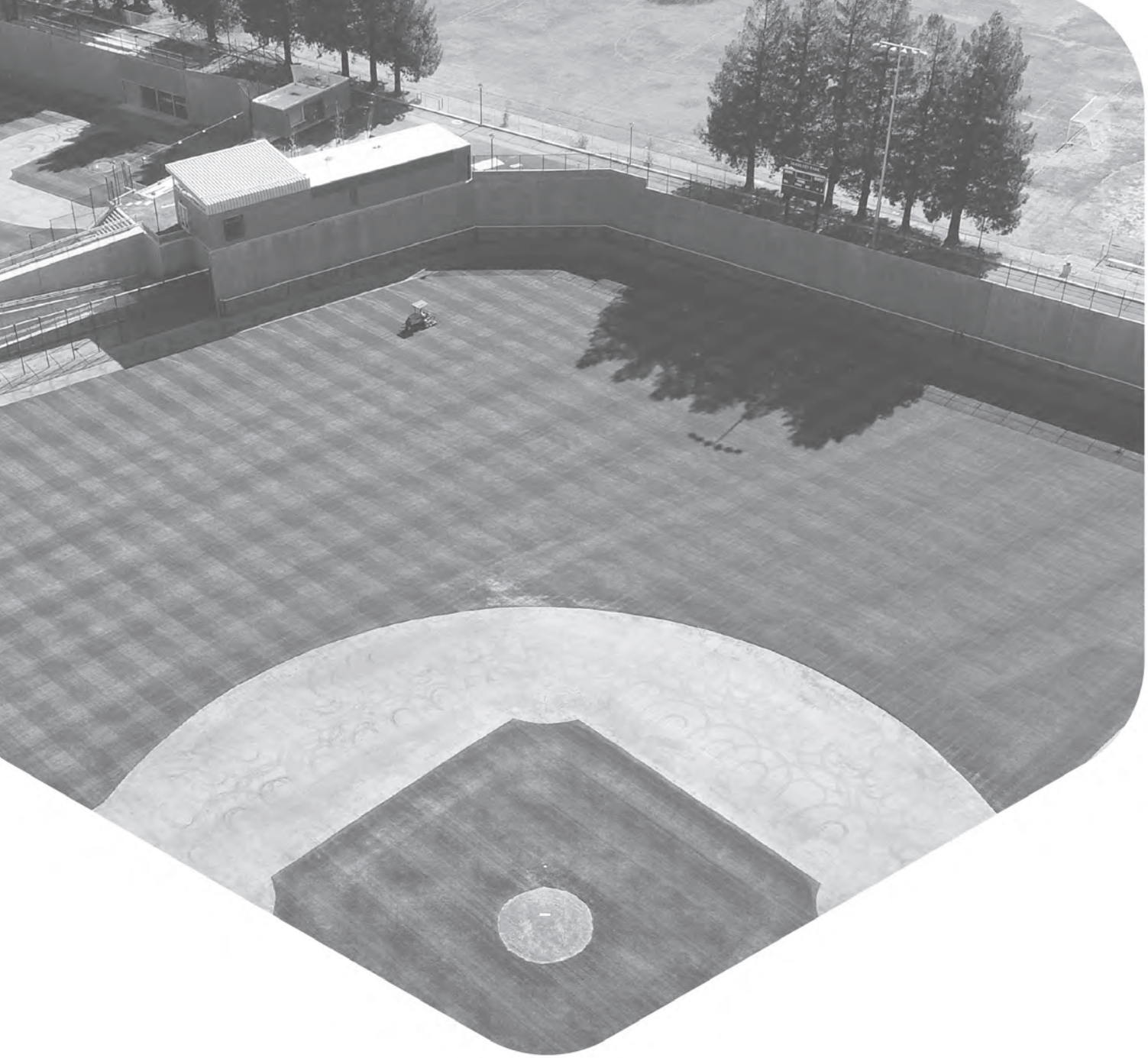


Ends Policies and Outcomes

FY 2020–21

Operating and Capital Budget

ENDS POLICIES AND OUTCOMES

Ends Policies and Outcomes

Introduction

Valley Water plans, manages and carries out work to meet policies established by its Board of Directors.

Under the Valley Water's form of Policy Governance, these "Ends" policies describe the mission, outcomes or results to be achieved by Valley Water staff. Balancing the Ends policies are Executive Limitations, which set limits on staff activities in fulfilling the Ends. Alignment of plans and resources with the Ends policies helps the Board fulfill the critical responsibility of defining, balancing and prioritizing "what benefits, for what people, at what cost," and enhances Valley Water staff's accountability in using budgeted resources to accomplish those ends.

This chapter describes the Valley Water's budget by Ends policies and outcomes, showing the alignment of resources with Board policies and goals that relate to those policies. Some Outcome Measures (OMs) in the sections to follow require updates and will soon be revised upon thorough review and Board approval.

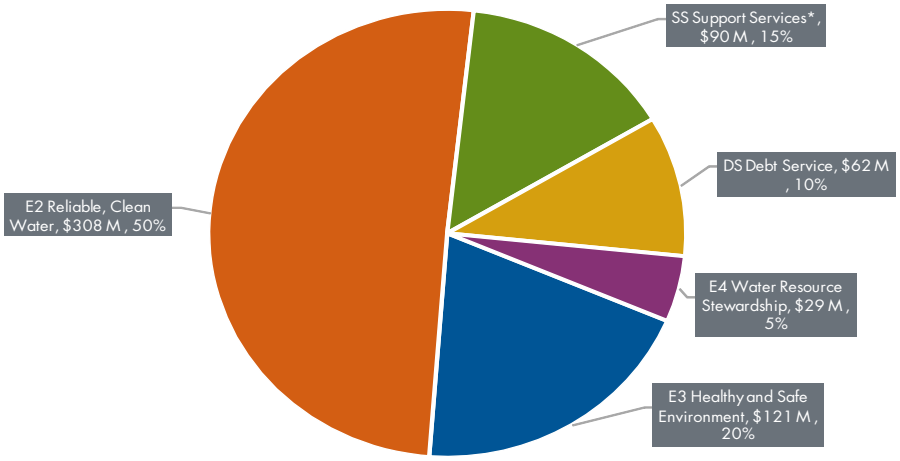
The Fiscal Year 2020-21 table below displays the latest version of the Ends Policies of the Santa Clara Valley Water District Board of Directors.

District wide budget by Ends and Support Services

Ends Code	Ends Description	FY 2020-21 Adopted Budget
E2	**Reliable, clean water supply for current and future generations**	**$307,888,946**
E3	**Healthy and safe environment for residents, businesses, and visitors, as well as for future generations**	**120,732,944**
E4	**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**	**29,510,894**
SS	**Support Services**	**180,695,606**
DS	**Debt Service**	**61,811,513**
Grand Total		$700,639,903
Minus Intradistrict Reimbursements		**(91,131,585)**
Net Budget		$609,508,318

Ends Policies and Outcomes

FY 2020-21 Total Net Outlays $610 Million



*Support Services total is net of intra-district reimbursements. (e.g. overhead costs charged to projects for administrative support services such as human resource and information technology etc.)

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E2.1	Current and future water supply for municipalities, industries, agriculture and the environment is reliable.	$170,534,202
E2.2	Raw water transmission and distribution assets are managed to ensure efficiency and reliability.	41,958,323
E2.3	Reliable high quality drinking water is delivered.	95,396,421
E3.1	Provide natural flood protection for residents, businesses, and visitors	107,549,382
E3.2	Reduce potential for flood damages	13,183,562
E4.1	Protect and restore creek, bay, and other aquatic ecosystems.	27,124,873
E4.2	Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.	1,726,512
E4.3	Strive for zero net greenhouse gas emission or carbon neutrality.	659,509
SS.1	BAO & District Leadership	31,099,089
SS.2	Financial Planning & Management Services	15,378,552
SS.3	Human Resources Services	11,716,144
SS.4	Information Management Services	26,983,742
SS.5	Corporate Business Assets	65,136,742
SS.6	General Management & Administration	35,300,458
SS.7	Salary Savings	(4,919,121)
DS.1	Debt Service	61,811,513
Grand Total		$700,639,903
Minus Intradistrict Reimbursements		(91,131,585)
Net Budget		$609,508,318

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E2.1	**Current and future water supply for municipalities, industries, agriculture and the environment is reliable.**	**$170,534,202**

This section provides resources for Valley Water activities needed to protect and maintain groundwater basins; protect, maintain and develop local water, imported water, and recycled water; manage, operate and maintain dams and reservoirs; and maximize water use efficiency, water conservation, and demand management opportunities.

The largest budget item is for imported water purchases from the federal Central Valley Project (CVP) and the State Water Project (SWP) for a total amount of $58.2 million. Groundwater banking expenses of $3.8 million are budgeted for annual operations and maintenance costs associated with participating in Semitropic Water Storage Valley Water water banking activities. Also included is funding to cover Valley Water's contribution to ongoing planning anticipated for the California Water Delta Conveyance Program. On average, about 40% of Valley Water's water supply is from imported water resources.

Locally, Valley Water owns and operates 10 surface reservoirs, 17 miles of canals, five water supply diversion dams, 393 acres of recharge ponds, one recycled water purification center for irrigation in partnership with the City of San Jose, and various infrastructure to interconnect these facilities. Funding to study the acquisition and expansion of an eleventh surface reservoir, Pacheco, is included in this budget.

Valley Water conducts both short-term and long-term water supply planning. These planning activities include coordinating operations among other agencies with shared supplies or infrastructure, identifying and evaluating short-term and long-term water supply options including water conservation, implementing our water shortage contingency plan in times of drought, and optimizing the use of available supplies. These planning efforts guide Valley Water's operations and investments to ensure water supply reliability and prevent adverse impacts like permanent land subsidence.

Water quality protection programs will continue to include monitoring of surface water supplies and the groundwater basin, implementation of Valley Water's groundwater well ordinance, and participation in the invasive mussel prevention program. Water quality protection programs reduce water treatment costs while providing drinking water that meets or surpasses all regulations, reduce contaminants in drinking water sources, and sustain water quality for current and future beneficial uses.

Funds in this section are also used to continue implementing the dam safety program, monitoring and maintaining all dams, maintaining the electrical and computerized systems that support operations, conducting infrastructure maintenance activities throughout the water supply system, and providing engineering and environmental support to water utility operations and maintenance efforts.

Valley Water's water conservation program budget includes residential, commercial/industrial, agricultural, and landscape rebates, and technical assistance, as well as water conservation grants, and a water conservation campaign. Long- term water conservation efforts reduced water demands by about 15%. This is in addition to short-term savings achieved during water shortages.

The FY 2020-21 Budget requires a significant investment to secure local reservoir storage. Valley Water continues to work to address seismic concerns with Anderson Dam in order to ensure public safety, as well as restore the county's largest local supply. Valley Water is advancing the design of the Anderson Dam

Seismic Retrofit Project. In addition, Valley Water is responding to a directive from the Federal Energy Regulatory Commission to enact additional interim risk reduction measures to ensure public safety, prior to the start of construction for the Seismic Retrofit Project. In Conjunction with the San Benito County Water District and Pacheco Pass Water District, Valley Water also continues to explore the possibility of expanding the existing Pacheco Reservoir on the North Fork Pacheco Creek in south-east Santa Clara County.

The budget for this section also includes funds for the Fish and Aquatic Habitat Collaborative Effort (FAHCE). Valley Water has been working to resolve a water rights complaint in Coyote Creek, the Guadalupe River, and Stevens Creek. Resolution of the complaint includes filing water rights change petitions, finalizing a Fish Habitat Restoration Plan (FHRP) and Environmental Impact Report (EIR) and obtaining federal and state permits from several regulatory agencies. This year's budget includes funds to support the completion of the FHRP and EIR for Guadalupe and Stevens Creek watersheds while continuing coordinate with the Anderson Dam Seismic Retrofit project for restoration measures in Coyote watershed; continuing with the water rights change petitions, modeling and biological monitoring; and coordinating the applications for Lake and Streambed Alteration Agreements.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E2.2	**Raw water transmission and distribution assets are managed to ensure efficiency and reliability.**	**$41,958,323**

The budget for this section includes funds for operating and maintaining the raw water system to distribute raw water to the three water treatment plants and groundwater recharge facilities, which includes pipelines, tunnels, three raw water pump stations, canals, diversion dams, and other facilities throughout the county. This also includes the inspection, monitoring, and repair of 77 miles of large diameter pre-stressed concrete cylinder pipe (PCCP) to mitigate the risk of catastrophic pipeline failure.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E2.3	**Reliable high quality drinking water is delivered.**	**$95,396,421**

The budget for this section includes funds for operating and maintaining the three potable water treatment plants, the treated water transmission and distribution system, the Campbell well field and the SFPUC/SCVWD intertie facility. In FY 2020-21, approximately 110,000 acre-feet of water is expected to be treated by Valley Water's three potable water treatment plants and delivered to the treated water retailers. Also included are funds for treatment plant water quality process support and the operation of Valley Water's water quality laboratory.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E3.1	**Provide natural flood protection for residents, businesses, and visitors**	**$107,549,382**

This section provides for the construction of capital flood protection projects and the preservation of flood conveyance capacity of streams and other channels. The best available science is utilized to minimize the effects on the environment and protect habitat.

In FY 2020-21, two (2) flood protection projects will

continue construction, and three (3) new flood protection projects and two (2) watershed asset rehabilitation projects will be in construction. Additionally, ten (10) projects will continue or will enter into the planning/design phase.

Other efforts to maintain flood conveyance capacity include sediment removal of approximately 20,000 to 50,000 cubic yards, debris removal and the control of approximately 3,700 acres of upland vegetation for access and 1,000 acres of in-stream vegetation for stream capacity. In addition, watershed facility conditions will be assessed, and levees will be inspected (approximately 100 miles) and maintained (approximately 30,000 LF), and inspect 281 miles of creeks.

The FY 2020-21 Budget also includes: a comprehensive tree maintenance program to provide a streamlined environmental and permitting process to facilitate the pruning, removal and mediation of hazards associated with trees; and pursuance of modifications to the Stream Maintenance Program permit to ensure sustainability of county flood protection improvements.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E3.2	**Reduce potential for flood damages**	**$13,183,562**

This section provides for activities that reduce the potential for flood damages. Such activities include the creation and distribution of a floodplain mailer, as part of an annual countywide flood awareness campaign—these efforts help inform businesses and residents with preparedness tips on what to do before, during, and after a flood event.

Additional efforts include implementing the Water Resource Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; and maintaining and improving our flood warning system.

A major component in this section is flood emergency planning and response. To ensure readiness, staff will participate in inter-agency training exercises at the state and countywide level as well as those specific to our emergency operations.

In addition, Valley Water partners with other public agencies for a unified approach when providing flood response. At least 40,000 filled sandbags, as well as sand and empty bags, are also provided as a courtesy to the public and other agencies.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E4.1	**Protect and restore creek, bay, and other aquatic ecosystems.**	**$27,124,873**

This section provides for the protection and restoration of various aquatic ecosystems through preservation, improvements to the watersheds, pollution prevention and engaging/educating the public about the importance of protecting water quality and stream stewardship.

With the 2012 passage of the Safe, Clean Water and Natural Flood Protection Program, continued programs for FYs 2021-25 include: establishing service indices for streams; reducing contaminants such as mercury; re-vegetating sites for mitigation; removing invasive vegetation to revitalize native habitats; minimizing the use of pesticides where feasible; regularly removing trash in and around streams; providing grants for environmental enhancement and pollution prevention projects; creating fish habitat and passage; reusing sediment whenever possible; stabilizing stream banks; and protecting water quality. FY 2020-21 projects include reassessing the Coyote Creek watershed, Hale Creek Enhancement Pilot Study, San Francisco Bay

Shoreline planning, and design of Almaden Lake Improvements.

FY 2020-21, Valley Water will provide $200,000 for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water; $200,000 for grants for supporting volunteer cleanup efforts and education; and $200,000 for mini-grants for wildlife habitat restoration. This work also includes administering 61 existing grants and partnerships awarded since 2014.

Cleanup of encampments will once again be a high priority under Safe, Clean Water. Efforts are coordinated with numerous cities, the county, and various non-profit agencies to provide assistance to camp inhabitants. Hazardous materials spill response within our fee and easement areas will also continue.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E4.2	**Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.**	**$1,726,512**

This section promotes and supports access to trails and open space through various grants and community partnerships for planning, design, construction, and maintenance. In FY 2020-21, Valley Water will provide $571,000 for grants and will continue to administer 8 open space and trail grants projects awarded since 2014. In addition, Valley Water is working with cities on trail implementation.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
E4.3	**Strive for zero net greenhouse gas emission or carbon neutrality.**	**$659,509**

This section provides for activities to identify and inventory Valley Water's greenhouse gas emissions and to create various means to reduce our carbon footprint and achieve carbon neutrality. Efforts will also be underway to develop a Climate Change Action Plan (CCAP) that provides Valley Water's general vision for our response to climate change by proposing goals and strategies and the launch of an ongoing implementation program.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
SS.1	**BAO & Valley Water Leadership**	**$31,099,089**

Board Appointed Officers (BAOs) and Valley Water Leadership includes the budgets for the Board of Directors and its Advisory Committees, the Board Appointed Officers, Office of External Affairs, and Valley Water's risk management including Emergency Management, Health and Safety related functions and activities for Watersheds and Water Utility Enterprise. The BAOs are Valley Water staff that report directly to the Board of Directors, and include the positions of Chief Executive Officer (CEO), District Counsel, and the Clerk of the Board.

Chief Executive Officer: Provides strategic direction and oversight to lead the organization in implementing Valley Water's mission. The CEO provides executive leadership to Valley Water and support to the Board of Directors to ensure that Valley Water efficiently implements the Board's Ends policies and complies with Executive Limitations.

Clerk of the Board: Provides regulatory and administrative services required to support the Board of Directors' functions and activities, including support to the Board's Advisory and Ad Hoc Committees, BAOs, Valley Water staff and constituents. The Clerk of the Board supports executive management and the public by ensuring the Board meetings are kept open and public in accordance with the Ralph M. Brown Act.

District Counsel: Represents Valley Water's interests in a variety of court and administrative matters and provides timely and useful legal advice to the Board of Directors and management as Valley Water implements strategies to streamline operations and increase accountability.

External Affairs: Provides strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water as well as for communications and outreach efforts. External Affairs is responsible for: internal and external communications to the media, community, and the public; community engagement in the areas of education, volunteerism, and through grant programs and community rating system program; and government relations efforts at the local, regional, state, and federal levels. In addition, External Affairs is exploring future funding opportunities through the potential renewal of Safe, Clean Water Program measure.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
SS.2	**Financial Planning & Management Services**	**$15,378,552**

Financial Planning and Management Services provide management oversight, leadership and strategic support to ensure effective and efficient financial planning and performance. This includes promoting efficiencies and fiscal accountability District-wide and within the Financial Planning and Management Services Division.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
SS.3	**Human Resources Services**	**$11,716,144**

Human Resources Services are primarily linked to human resource planning, development and management. These services include District-wide funding for recruitment, professional development, training, employee wellness, internship, the ethics and equal employment opportunity programs.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
SS.4	**Information Management Services**	**$26,983,742**

The Information Technology Division serves the technology needs of the Valley Water, enabling business users to carry out their work efficiently, effectively, and securely. We do so by providing planning, design, and operational support and maintenance of the Valley Water's: (1) physical technology infrastructure and cyber security posture; and (2) software application portfolio.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
SS.5	**Corporate Business Assets**	**$65,136,742**

Corporate Business Assets includes the functions and activities of Construction Contracts & Support, Purchasing, Consultant Contract Services, Equipment Management, Facilities Management, Business Support, and Warehouse Services in the General Services Division.

Also included in this category are a few of support services projects from the Water Utility Enterprise, and Water Utility projects that overarch Ends policies and therefore cannot be attributed to a single Ends policy (e.g., water measurement, asset management, select planning projects).

Goal Code	Goal Description	FY 2020-21 Adopted Budget
SS.6	**General Management & Administration**	**$35,300,458**

Funds in this category provide necessary resources to effectively administer and manage organization-wide support services, including unit and division office and program administration, long-term operational planning efforts, and other critical District-wide support service functions and activities required to achieve organizational goals and objectives.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
SS.7	**Salary Savings**	**$(4,919,121)**

This salary savings budget represents 4% of regular employee salaries and benefits district-wide. This budget represents the budgeted savings from vacant positions projected to occur during the year.

Goal Code	Goal Description	FY 2020-21 Adopted Budget
DS.1	**Debt Service**	**$61,811,513**

Debt Service includes the budget used to pay interest, principal, and fees associated with the debt portfolio.

E2 Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

Job Number	Project Name	Adopted FY 2020–21 Budget
26061008	Water Conservation Grants	136,654
26061010	Nitrate Treatment Systm Rebate	4,000
26764001	IRP2 AddLine Valves	633,829
60041003	Hollister Groundwater Mgmt	85,773
91041012	Water Operations Planning	633,199
91041018	Groundwater Management Program	4,941,336
91081007	Dam Safety Program	1,723,238
91084019	Dam Safety Seismic Stability	427,385
91084020	Calero-Guad Dams Seismic Retro	1,365,690
91094001	Land Rights-SC Recycled Water Pipeline	203,352
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	247,563
91101004	Recycled & Purified Water Prog	5,874,536
91111001	Water Rights	661,764
91131004	Imported Water Program	5,549,068
91131006	IW San Felipe Division Delvrs	17,833,695
91131007	IW South Bay Aqueduct Delvrs	756,828
91131008	State Water Project Costs	29,636,261
91151001	Water Conservation Program	6,197,825
91151012	Recycld/PurifiedWaterPublicEng	1,287,138
91151013	Water Banking Operations	3,815,605
91154007	Water Purchases Captl Project	10,776,941
91211004	San Felipe Reach 1 Operation	641,395
91211005	SFD Reach 1 Administration	5,164
91211084	San Felipe Reach1 Ctrl and Ele	315,874
91211085	SF Reach 1-Engineering - Other	289,392
91221002	San Felipe Reach 2 Operation	62,966
91221006	SF Reach 2-Engineering - Other	177,786
91231002	San Felipe Reach 3 Operation	329,568
91231084	San Felipe Reach3 Ctrl and Ele	313,977
91231085	SF Reach 3-Engineering - Other	110,540
91251001	Transfer-Bethany Pipeline	1,020,858
91281007	SVAWPC Facility Operations	2,514,643
91281008	SVAWPC Facility Maintenance	2,379,062
91304001	Indirect Potable Reuse-Plan	1,770,985
91441003	Desalination	63,692
91451002	Well Ordinance Program	1,846,619
91451005	Source Water Quality Mgmt	700,279
91451011	Invasive Mussel Prevention	618,228
91601001	Delta Conveyance Project	11,645,071
91761001	Local Res/Div Plan & Analysis	1,687,755

E2 Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

Job Number	Project Name	Adopted FY 2020–21 Budget
91761099	Dams / Reservoir Gen Maint	3,509,019
91854001	Almaden Dam Improvements	167,789
91864005	Anderson Dam Seismic Retrofit	10,109,204
91874004	Calero Dam SeisRetrfit Des&Con	900,613
91894002	Guadalupe Dam SeisRetf Des&Con	542,614
91951001	San Luis Low Point Improvement	322,671
91954002	Pacheco Reservoir ExpansionPrj	27,783,791
92041014	FAHCE/Three Creeks HCP Project	2,452,432
95061043	WUE TW Div Admin Support	3,334,008
95074039	Cap Construction Mgmt System	156,511
95111003	Water Use Measurement	1,970,018
E2.1 Total		**170,534,202**

E2 Reliable, clean water supply for current and future generations

E2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability.

Job Number	Project Name	Adopted FY 2020–21 Budget
91211099	San Felipe Reach 1 Gen Maint	856,050
91214010	Small Caps, San Felipe R1	2,061,193
91221099	San Felipe Reach 2 Gen Maint	161,666
91224010	Small Caps, San Felipe R2	859,032
91231099	San Felipe Reach 3 Gen Maint	1,047,805
91234002	Coyote Pumping Plant ASD	2,116,473
91234010	Small Caps, San Felipe R3	206,344
91234011	Coyote Warehouse	284,504
92144001	Pacheco/SC Conduit ROW ACQ	506,531
92261099	Vasona Pump Station Gen Main	140,000
92264001	Vasona Pump Station Upgrade	1,217,053
92304001	Almaden Valley Pipeline Replacement	667,800
92761001	Raw Water T&D Gen'l Oper	1,602,491
92761008	Recycled Water T&D Genrl Maint	282,352
92761009	Recharge/RW Field Ops	3,324,883
92761010	Rchrg / RW Field Fac Maint	2,281,474
92761012	Untreated Surface Water Program	395,702
92761082	Raw Water T&D Ctrl and Electr	566,837
92761083	Raw Water T&D Eng Other	936,244
92761085	Anderson Hydrelctrc Fclty Main	168,438
92761099	Raw Water T / D Gen Maint	2,325,503
92764009	Small Caps, Raw Water T&D	81,597
92781002	Raw Water Corrosion Control	645,259
95044001	Distribution Systems Implementation	2,000,000
95084002	10-Yr PL Inspection and Rehab	17,223,093
E2.2 Total		**41,958,323**

E2 Reliable, clean water supply for current and future generations

E2.3 Reliable high quality drinking water is delivered.

Job Number	Project Name	Adopted FY 2020–21 Budget
00761013	SCADA Systems Upgrades	722,086
93044001	WTP Implementation	1,024,008
93081002	Treatment Plant Process & Commissioning	387,104
93081008	W T General Water Quality	2,415,834
93081009	Water Treatment Plant Engineer	394,746
93084004	Wtr Trtmnt Plnt Electr Imprv	447,001
93231009	PWTP General Operations	5,868,631
93231099	Penitencia WTP General Maint	3,086,137
93234044	PWTP Residuals Management	682,500
93281005	STWTP - General Operations	6,475,583
93281099	Santa Teresa WTP General Maint	3,464,488
93284013	STWTP Filter Media Replace	444,841
93291012	RWTP General Operations	9,064,337
93291099	Rinconada WTP General Maint	3,647,362
93294057	RWTP Reliability Improvement	30,845,499
93294058	RWTP Residuals Remediation	10,315,904
93401002	Water District Laboratory	5,519,347
93761001	SF/SCVWD Intertie General Ops	227,598
93761004	Campbell Well Field Operations	103,653
93761005	Campbell Well Field Maint	112,364
93761006	Treated Water Ctrl & Elec Eng	2,112,457
93761099	SF/SCVWD Intertie Gen Maint	112,302
93764004	Small Caps, Water Treatment	3,035,471
94761005	TW T&D - Engineering - Other	549,867
94761099	Treated Water T/D Gen Maint	1,485,798
94781001	Treated Water T/D Corrosion	529,391
95044002	SCADA Implementation	1,365,200
95151002	WU Customer Relations&Outreach	956,912
E2.3 Total		**95,396,421**
E2 Total		**307,888,946**

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.1 Provide natural flood protection for residents, businesses, and visitors

Job Number	Project Name	Adopted FY 2020–21 Budget
00041022	Stream Maint Prog Mgmt	5,066,473
00044026	San Francisco Bay Shoreline	11,143,080
00761023	Watershed Sediment Removal	6,046,170
00761078	Vegetation Mangmnt for Access	3,878,129
00762011	Tree Maintenance Program	941,276
00811049	Subsidence Monitoring	845,149
10394001	PA Flood Basin Tide Gate Replace	83,408
26074002	Sunnyvale East & West Channel	2,033,272
26164001	HaleCreekEnhancementPilotStudy	170,072
26174041	Berryessa Calav/Old Pied Cor	26,609
26174043	Coyote Creek, Montague-Tully	2,199,295
26174052	U. Llagas Ck, Nonreimburse E6a	46,274,138
26284002	San Francisquito Early Implemt	370,158
26324001	U Penitncia Crk Corp Coord SCW	1,381,884
26444001	SFBS EIA 11 Desgn & Part Const	5,310
26771067	Stream Capacity Vegetation Con	2,528,905
26771068	SCW E1.3-Flow Conveyance, Veg	65,492
30154019	Guadalupe R Tasman Dr-I880	1,837,500
40174005	Berryessa Crk, Lwr. Pen Phs 2	42,308
40264008	Lwr Silver-R4-6 N Babb-Cunni	166,648
40264011	Cunningham Fld Detention Cert	3,735
40334005	Lwr Penitencia Crk Improvemnts	7,744,565
62021009	Watershds O&M Eng&Insp Support	1,386,668
62042050	Watershd Maint Guideline Updte	546,946
62061029	Field Operations Support	606,882
62084001	Watersheds Asset Rehabilitatio	3,531,397
62761006	Invasive Plant Management Prog	2,183,976
62761024	Wtrshd Facility Cndtion Assmnt	2,196,428
62761025	Watershed General Field Maint	1,841,289
62761026	Watershed Debris Removal	1,221,724
62761028	Watershed Levee Maintenance	924,117
62761080	Non SMP Veg Removal for Convey	256,381
E3.1 Total		**107,549,382**

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.2 Reduce potential for flood damages

Job Number	Project Name	Adopted FY 2020–21 Budget
00811043	Hydrologic Data Msrmt & Mgmt	2,038,193
26041023	Emergency Response Upgrades	354,234
26041024	Flood Risk Reduction Studies	1,183,502
26061005	Flood Emrgncy Respnse Planning	236,125
62011002	Watershed Asset Protection Sup	4,593,001
62021003	CPRU Tech Support	78,980
62041023	Community Rating System (CRS)	463,004
62061005	WS Customer Relations&Outreach	1,041,056
62061008	Hydrology&Hydraulics Tech Supp	1,458,172
62761008	Sandbag Program	614,903
95011003	WU Asset Protection Support	1,122,392
E3.2 Total		13,183,562
E3 Total		**120,732,944**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

Job Number	Project Name	Adopted FY 2020–21 Budget
00041047	Ecolgcal Data Collectn & Analy	776,859
00061012	Facilities Env Compliance	801,341
00061019	Supp Volunteer Cleanup Effort	373,743
00741042	Water Resorcs EnvPlng & Permtg	2,011,411
00761022	Watershed Good Neighbor Maint	1,761,465
00761075	Mgmt of Revegetation Projects	1,551,449
00771011	Inter Agency Urban Runoff Prog	2,592,435
00771031	HAZMAT Emergency Response	210,396
20444001	Salt Ponds A5-11 Restoration	170,502
26042002	Fish Habitat Improvements	696,382
26044001	Almaden Lake Improvement	1,710,449
26061006	Pollution Prvtn Prtnrshp & Grt	356,376
26752043	Impaired Water Bodies Imprvmts	1,775,742
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	979,940
26771027	Encampment Cleanup Program	922,108
30151026	Guad Rvr Mitgtn Monitoring Prg	607,295
40212032	Coyote Creek Mitgtn Monitoring	258,937
60061058	Drought Induced Tree Removal	1,254,798
60171002	Education & Volunteer Program	2,024,275
62041043	Environmental Srvcs Tech Suppt	506,667
62042032	Multiple Sm Prjcts Mitgtn Mont	711,620
62042047	Mitigation & Stwdshp Land Mgmt	215,999
62042051	Plant Pathogen Management	376,113
62044001	Watershed Habitat Enhancemnt S	532,403
62061049	Safe Clean Water Renewal	45,000
62181005	SMP Mitigation Site Mgmt	606,690
62181006	Instream Habitat Complexity	259,169
62761009	Pond A4 Operations	157,561
62761027	Watershed Erosion Protection	2,877,748
E4.1 Total		**27,124,873**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.2 Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.

Job Number	Project Name	Adopted FY 2020–21 Budget
26061007	Grants to Rest Habitat Access	1,726,512
E4.2 Total		**1,726,512**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.3 Strive for zero net greenhouse gas emission or carbon neutrality.

Job Number	Project Name	Adopted FY 2020–21 Budget
00021008	Energy Management	470,761
00061048	Climate Change Adaptation/Mtg.	188,748
E4.3 Total		**659,509**
E4 Total		**29,510,894**

SS Support Services

SS.1 BAO & Valley Water Leadership

Job Number	Project Name	Adopted FY 2020–21 Budget
00761071	Emergency Management	2,325,761
60091001	Directors Fees / Expenses	528,622
60131007	Ofc of Chief Executive Officer	1,201,430
60131014	Continual Improvement	931,051
60141001	District Counsel	4,090,539
60171009	Community Relations	573,930
60231002	Communications	2,393,047
60231003	Federal Government Relations	985,160
60231004	State Government Relations	1,114,302
60231005	Local Government Relations	2,018,585
60231006	Office of Chief of Ext Affairs	1,385,810
60241026	Quality and Env Mgmt Sys Prog	524,308
60301001	Clerk of the Board Serv	6,115,605
65051001	Risk Management	2,483,497
65051002	Workers Compensation Program	865,171
65051003	Health&Safety Program Mgt	2,916,271
65052001	2017 President Day Flood	646,000
SS.1 Total		**31,099,089**

SS

Support Services

SS.2 Financial Planning & Management Services

Job Number	Project Name	Adopted FY 2020–21 Budget
00031001	Watershed Revenue	177,386
00031002	Grants Management	1,059,667
00061045	Asset Management Program	3,641,110
00121003	LT Financial Planning & Rate S	857,974
26001090	Unscoped Projects-Budget Only	100,000
60001090	CEOUnscoped Projects-BudgtOnly	100,000
60001091	Unscoped Projects-Budget Only	100,000
60001092	CEA UnscopedProject-BudgetOnly	100,000
60111002	General Accounting Services	4,011,293
60221001	Budget and Financial Analyses	2,373,400
60221002	Debt & Treasury Management	1,069,870
62001090	Unscoped Projects-Budget Only	100,000
95001090	Unscoped Projects-Budget Only	100,000
95101003	W2 W5 Water Revenue Program	1,587,852
SS.2 Total		**15,378,552**

SS Support Services

SS.3 Human Resources Services

Job Number	Project Name	Adopted FY 2020–21 Budget
60281003	Ethics & EEO Programs	1,002,294
60281004	Diversity & Inclusion Program	843,901
60281006	Reasonable Accommodation	274,324
60291001	Recruitment and Examination	1,842,284
60291002	Benefits and Wellness Admin	1,687,458
60291003	Labor Relations	968,175
60291004	Talent Development Program	1,539,256
60291011	HR Program Admin	606,676
60291030	HR Systems Management Program	550,794
60291032	Bargaining Unit Representation	138,461
60291040	Rotation Program	600,000
60291041	Internship Program	678,200
60291043	Succession Planning	486,796
95061047	WUE Technical Training Program	497,525
SS.3 Total		**11,716,144**

SS Support Services

SS.4 Information Management Services

Job Number	Project Name	Adopted FY 2020–21 Budget
60311001	Records & Library Services	1,328,063
73271001	Telecommunications Sys Opr/M	2,421,069
73271002	Technical Infrastructure Servi	759,531
73271003	Network Administration	2,550,031
73271004	Information Security Admin	851,215
73271005	Offce Cmptr Maint/Help Dsk Sup	2,056,188
73271006	Info Technology Div Admin	786,636
73271007	Emerging IT Technologies	100,000
73271008	Software Maint & License	2,658,758
73271009	Software Services	5,701,253
73274002	ERP System Implementation	2,258,092
73274004	Network Equipment	2,527,604
73274006	Office Computers Replace Equip	1,666,713
73274008	Software Upgrades & Enhancemen	871,046
73274009	Data Consolidation	74,384
73274012	Telephone System Voice Over IP	131,880
95761003	SCADA Network Administration	241,278
SS.4 Total		**26,983,742**

SS Support Services

SS.5 Corporate Business Assets

Job Number	Project Name	Adopted FY 2020–21 Budget
00071041	Welding Services	655,250
00074036	Survey Mgmt & Tech Support	796,783
00811046	Warehouse Services	2,586,747
00811054	District Real Property Adminis	1,405,655
10291002	Rental Expense Stevens Creek	370,349
26061002	Rent Exp Clean Safe Ck 7/1/01+	243,559
30061004	Rent Exp Guadalupe & Coyote	116,986
60061018	General Services Div Admin	566,158
60101001	Purchasing Services	2,311,520
60101002	Building and Grounds	9,100,691
60101005	Districtwide Signage	614,073
60101008	District Security Services	2,744,084
60111006	Contract Services	2,705,273
60204016	Facility Mgmt-Sm Cap Improv	3,015,966
60351001	Business & Customer SupportSvc	3,226,413
70004001	New Vehicle Equip Acquisitio	1,545,000
70004002	Replacement Vehicle & Equip	1,933,000
70011099	Class I Equip Oper / Maint	825,647
70021099	Class II Equip Oper / Maint	950,825
70031099	Class III Equip Oper / Maint	342,468
70041099	Class IV Equip Oper / Maint	1,494,678
70061003	Vehicle & Equipment Admin&Mgmt	1,246,897
95061012	Rental Expense San Pedro,MH	21,900
95074001	Capital Warranty Services	26,316,821
SS.5 Total		**65,136,742**

SS

Support Services

SS.6 General Management & Administration

Job Number	Project Name	Adopted FY 2020–21 Budget
00041039	Integrated Regional Water Mgmt	77,529
00074033	CIP Development & Admin	1,247,345
00074038	Capital Progrm Srvcs Admin	7,124,078
00074041	GS Capital Program Services	1,440,539
26061012	Safe Clean Water Implementatn	607,595
60101017	CADD System Tech Support	94,555
60131004	IT & AS Administration	1,751,428
60221003	FPMD Administration	455,681
62041027	Integrated Wtr Resrce Mstr Pln	1,593,857
62061001	Watersheds Administration	9,741,096
73271010	IT Projects & Bus Operations	876,530
95061038	WUE Administration	8,439,173
95741001	Water Supply Planning	1,851,054
SS.6 Total		35,300,458

SS Support Services

SS.7 Salary Savings

Job Number	Project Name	Adopted FY 2020–21 Budget
26061004	Districtwide Salary Savings-26	(138,599)
26064023	Districtwide Salary Savings	(306,053)
60061023	Districtwide Salary Savings-11	(1,069,148)
60064023	Districtwide Salary Savings	(373)
62061002	Districtwide Salary Savings-12	(739,094)
62064023	Districtwide Salary Savings	(259,219)
65061004	Districtwide Salary Savings-72	(56,077)
70061004	Districtwide Salary Savings-71	(43,292)
73061004	Districtwide Salary Savings-73	(188,594)
73064004	Districtwide Salary Savings-73	(49,631)
91061007	Districtwide Salary Savings-61	(1,541,842)
95064011	Districtwide Salary Savings-61	(527,201)
SS.7 Total		(4,919,121)
SS Total		**180,695,606**

DS Debt Service

DS.1 Debt Service

Job Number	Project Name	Adopted FY 2020–21 Budget
10993008	2017A COP Refunding LP WS	2,291,025
20993007	2012A COP Refunding WV WS	1,175,191
20993008	2017A COP Refunding WV WS	685,707
26993001	Commercial Paper Tax Exmpt SCW	1,749,720
30993007	2012A COP Refunding Guad WS	2,939,465
30993008	2017A COP Refunding Guad WS	793,017
40993007	2012A COP Refunding Coyote WS	1,219,544
40993008	2017A COP Refunding Coyote WS	2,057,698
60993009	2017A COP Refunding GF	475,801
95993007	Commercial Paper Tax Exempt	1,690,860
95993008	Commercial Paper Taxable	1,690,860
95993012	2006B WUE Refunding (Taxable)	1,816,101
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,350,750
95993016	2016B WU Ref Rev Bond(Taxable)	3,244,621
95993017	WU COP 2016C (Tax-Exempt)	5,073,000
95993018	WU COP 2016D (Taxable)	5,665,657
95993019	WU Rev Bond 2017A (Tax Exempt)	4,396,500
95993022	WU Rev Bond 2019A (Tax-Exempt)	1,024,750
95993023	WU Rev Bond 2019B (Taxable)	4,519,910
95993024	WU Rev Bond 2019C (Taxable)	2,790,179
95993025	WU Rev Bond 2020A (Tax-Exempt)	2,686,670
95993026	WU Rev Bond 2020B (Taxable)	5,164,487
95993027	WU Ref Rev Bond 2021A (Tax-Exempt)	1,660,000
95993028	WU Ref Rev Bond 2021B (Taxable)	1,650,000
DS.1 Total		61,811,513
DS Total		**61,811,513**

E2 Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

2.1.1. Aggressively protect groundwater from the threat of contamination and maintain and develop groundwater to optimize reliability and to minimize land subsidence and salt water intrusion		**8,843,745**
OM 2.1.1.a.	Greater than 278,000 acre-feet of projected end-of-year groundwater storage in the Santa Clara Plain.	
OM 2.1.1.b.	Greater than 5,000 acre-feet of projected end-of-year groundwater storage in the Coyote Valley.	
OM 2.1.1.c.	Greater than 17,000 acre-feet of projected end-of-year groundwater storage in the Llagas Subbasin.	
OM 2.1.1.d.	100% of subsidence index wells with groundwater levels above subsidence thresholds.	
OM 2.1.1.e.	At least 95% of countywide water supply wells meet primary drinking water standards.	
OM 2.1.1.f.	At least 90% of South County wells meet Basin Plan agricultural objectives.	
OM 2.1.1.g.	At least 90% of wells in both the shallow and principal aquifer zones have stable or decreasing concentrations of nitrate, chloride, and total dissolved solids.	
OM 2.1.1.h.	Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems; a maximum of 1,000 rebates up to $702,000 through 2023. (SCW A2)	
2.1.2. Protect, maintain, and develop local surface water.		**25,660,885**
OM 2.1.2.a	100% of local water identified in annual operations plan utilized to meet annual County water needs.	
OM 2.1.2.b.	100% of required reports to the State Water Resources Control Board for District water rights permits and licenses submitted on time	
OM 2.1.2.c.	100% of operational capacity restored at Almaden Reservoir by October 2016	
OM 2.1.2.d.	100% of operational capacity restored at Anderson Reservoir by November 2018 and provide portion of funds, up to $45 million, to help restore full operating capacity of 90,373 feet (SCW C1).	
OM 2.1.2.e.	100% of operational capacity restored at Calero Reservoir by December 2019.	
OM 2.1.2.f.	100% of operational capacity restored at Guadalupe Reservoir by December 2019.	
OM 2.1.2.g.	100% of dams judged safe for continued use following all annual DSOD inspections.	
OM 2.1.2.h.	The petition to resolve 100% of the water rights licenses addressed in the FAHCE/Three Creeks Habitat Conser- vation Plan project is submitted to the State Water Resources Control Board by December 2015.	
2.1.3. Protect, maintain, and develop imported water.		**83,598,495**
OM 2.1.3.a.	100% of imported water identified in annual operations plan delivered to County to meet annual water needs	
2.1.4. Protect, maintain, and develop recycled water.		**14,340,970**

E2 Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

OM 2.1.4.a.	At least 10% of annual recycled water production as a percentage of total County water demands by 2025.	
2.1.5. Maximize water use efficiency, water conservation, and demand management opportunities.		**6,338,478**
OM 2.1.5.a.	At least 98,500 acre-feet of annual County-wide water conservation savings by 2030.	
OM 2.1.5.b	Award up to $1 million to test new conservation activities through 2023. (SCW A2)	
2.1.6. Prepare for and respond effectively to water utility emergencies.		**31,751,628**
OM 2.1.6.a	Execute 1 annual training and exercise plan per year to test response capability and identify improvements.	
OM 2.1.6.b.	90% of required employees receive required FEMA/CAL-EMA NIMS/SEMS training.	
E2.1 Subtotal		**170,534,202**

E2 Reliable, clean water supply for current and future generations

E2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability.

2.2.1. Raw water transmission and distribution assets are managed to ensure efficiency and reliability		**41,958,323**
OM 2.2.1.a.	100% of annual maintenance work plans completed for all transmission and distribution facilities.	
OM 2.2.1.b.	Restore transmission pipelines to full operating capacity of 37 cubic feet per second from Anderson Reservoir by 2018. (SCW A1)	
OM 2.2.1.c.	Restore ability to deliver 20 cubic feet per second to Madrone Channel by 2018. (SCW A1)	
E2.2 Subtotal		**41,958,323**

E2 Reliable, clean water supply for current and future generations

E2.3 Reliable high quality drinking water is delivered.

2.3.1. Meet or exceed all applicable water quality regulatory standards.		**93,717,423**
OM 2.3.1.a	100% of treated water that meets primary drinking water standards.	
OM 2.3.1.b.	100% of annual maintenance work plans completed for all facilities.	
OM 2.3.1.c.	Install 4 new line valves on treated water distribution pipelines by 2027. (SCW A3)	

E2 Reliable, clean water supply for current and future generations

E2.3 Reliable high quality drinking water is delivered.

2.3.2. Maintain effective relationships with the retailer and other stakeholders to ensure high quality,reliable drinking water.		1,678,998
OM 2.3.2.a.	100% of retailers give an average rating of good to excellent on each of their individual annual treated water retailer surveys.	
OM 2.3.2.b.	Increase number of schools in Santa Clara County in compliance with State Education Code, Section 38086, and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests through 2023 for the installation of hydration stations; a maximum of 250 grants up to $245,000. (SCW A2)	
E2.3 Subtotal		**95,396,421**
E2 Budget Total		**307,888,946**

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.1 Provide natural flood protection for residents, businesses, and visitors

3.1.1. Protect parcels from flooding by applying an integrated watershed management approach that balances environmental quality and protection from flooding.		74,073,652
OM 3.1.1.a.	Approximately 31,500 parcels are protected and/or eligible for removal from the flood hazard zone as specified in the 5-year Capital Improvement Plan.	
OM 3.1.1.b.	With federal and local funding, construct a flood protection project on Upper Penitencia Creek to provide 1 percent flood protection to 5,000 homes and public buildings by 2026. (SCW E4))	
OM 3.1.1.c.	With local funding only, acquire all necessary right-of-ways and construct a 1 percent flood protection project on Upper Penitencia Creek from Coyote Creek confluence to King Road by 2026. (SCW E4)	
OM 3.1.1.d.	With federal and local funding, protect more than 3,000 parcels by providing 1 percent flood protection on San Francisquito Creek by 2020. (SCW E5)	
OM 3.1.1.e.	With local funding only, protect approximately 3,000 parcels from flooding (100-year protection downstream of HWY 101, 50-year protection upstream of HWY 101) on San Francisquito Creek by 2020. (SCW E5)	
OM 3.1.1.f.	With federal and local funding, provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat on Upper Llagas Creek by 2017. (SCW E6)	
OM 3.1.1.g.	With local funding only, provide 100-year flood protection for Reach 7 on Upper Llagas Creek by 2017. A limited number of homes and businesses will be protected. (SCW E6)	
OM 3.1.1.h.	Provide portion of the local share of funding for planning and design phases for the former salt production ponds and Santa Clara County shoreline area by 2019. (SCW E7)	

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.1 Provide natural flood protection for residents, businesses, and visitors

OM 3.1.1.i.	Provide portion of local share of funding toward estimated cost of initial project phase (Economic Impact Area 11) on the San Francisco Bay Shoreline by 2019. (SCW E7)
OM 3.1.1.j.	With federal and local funding, construct a flood protection project on Upper Guadalupe River to provide 1 percent flood protection to 6,280 homes, 320 businesses, and 10 schools and institutions by 2019. (SCW E8)
OM 3.1.1.k.	With local funding only, construct flood protection improvements along 4,100 feet of Guadalupe River between SPRR crossing, downstream of Willow Street, to UPRR crossing, downstream of Padres Drive by 2019. Flood damage will be reduced however, protection from the 1 percent flood is not provided until completion of the entire Upper Guadalupe River Project. (SCW E8)
OM 3.1.1.l.	100% of flood protection projects include multi-purpose objectives that enhance ecological functions, improve water quality, or provide for trails & open space.
OM 3.1.1.m.	Complete engineering studies on 7 creek reaches to address 1% flood risk by 2022. (SCW E3)
OM 3.1.1.n.	Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards by 2022. (SCW E3)
3.1.2. Preserve flood conveyance capacity and structural integrity of stream banks, while minimizing impacts on the environment and protecting habitat values.	**33,475,730**
OM 3.1.2.a.	50% of assets are assessed and have their condition documented annually.
OM 3.1.2.b.	100% of levees inspected and maintained annually.
OM 3.1.2.c.	Maintain 90 percent of improved channels at design capacity. (SCW E1)
OM 3.1.2.d.	Complete a minimum of 2900 acres of upland and in stream vegetation management in all watersheds annually
OM 3.1.2.e.	100% of maintenance projects comply with the Stream Maintenance Program permit best management practices
OM 3.1.2.f.	100% of stream bank erosion sites on District property are repaired that pose an imminent threat to public safety
OM 3.1.2.g.	Construct 3 geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed by 2021. (SCW D6)
OM 3.1.2.h.	Provide vegetation management for 6,120 acres along levee and maintenance roads through 2028. (SCW E1)
OM 3.1.2.i.	Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions through 2028. (SCW D1)
E3.1 Subtotal	**107,549,382**

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.2 Reduce potential for flood damages

3.2.1 Promote the preservation of flood plain functions.		**5,794,374**
OM 3.2.1.a.	90% of Water Resource Protection Ordinance violations are resolved.	
OM 3.2.1.b.	90% of land use reviews submitted to lead agencies within response period.	
OM 3.2.1.c.	100% of new land use projects reviewed are provided recommendations for incorporating flood-wise design features.	
OM 3.2.1.d.	20% of the District's survey elevation benchmarks are measured annually for accuracy, on a rotating five year basis, and adjusted, as needed.	
3.2.2. Reduce flood risks through public engagement.		**1,504,061**
OM 3.2.2.a.	95% response rate to flood insurance rate map inquiries	
OM 3.2.2.b.	Maintain the National Flood Insurance Program's Community Rating System (CRS) point sum of all the partici- pating CRS Communities in the county at 13,000 or higher.	
OM 3.2.2.c.	Provide Community Rating System (CRS) base points to all National Flood Insurance Program (NFIP) participating communities in Santa Clara County to encourage communities with more than 100 flood insurance policies to join the CRS program.	
OM 3.2.2.d.	100% of flood prone parcels provided floodplain informational mailer annually.	
3.2.3. Prepare and respond effectively to flood emergencies countywide to protect life and property		**5,885,128**
OM 3.2.3.a.	40,000 filled sandbags stocked by Nov. 30th annually.	
OM 3.2.3.b.	The ALERT Alarm program is maintained and tested 4 times annually for all watersheds.	
OM 3.2.3.c.	Emergency Action Plans updated annually for all watersheds.	
OM 3.2.3.d.	Two preparedness exercises conducted per year to respond to flood emergencies.	
OM 3.2.3.e.	Maintain NOAA StormReady designation annually.	
OM 3.2.3.f.	Conduct multi-jurisdiction Winter Emergency Operations and Preparedness Workshops annually.	
OM 3.2.3.g.	Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans annually. (SCW E2)	
OM 3.2.3.h	90% of required employees receive required FEMA/CAL-EMA NIMS/SEMS training.	
OM 3.2.3.i.	Complete 5 flood-fighting action plans (one per major watershed) by 2028. (SCW E2)	
OM 3.2.3.j.	Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings through 2023. (SCW C2)	
E3.2 Subtotal		**13,183,562**
E3 Budget Total		**120,732,944**

E4 Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

4.1.1. Preserve creeks, bay, and ecosystems through environmental stewardship.		**20,136,302**
OM 4.1.1.a.	Establish new or track existing ecological levels of service for streams in 5 watersheds by 2028. (SCW D5)	
OM 4.1.1.b.	Re-assess streams in 5 watersheds to determine if ecological levels of service are maintained or improved by 2028. (SCW D5)	
OM 4.1.1.c.	Continued implementation and evaluation of management practices to achieve declining methylmercury in fish within impaired reservoirs in the Guadalupe Watershed.	
OM 4.1.1.d.	Five watersheds meet all Stream Maintenance Program and other mitigation commitments including the management of 300 acres of existing revegetation plantings.	
OM 4.1.1.e.	Respond to requests on litter or graffiti cleanup within 5 working days through 2028. (SCW B6)	
OM 4.1.1.f.	100% of pesticide products used in lowest toxicity category.	
OM 4.1.1.g.	Operate and maintain existing treatment systems in 4 reservoirs to remediate regulated contaminants, including mercury through 2028. (SCW B1)	
OM 4.1.1.h.	Prepare plan for the prioritization of pollution prevention and reduction activities by 2015. (SCW B1)	
OM 4.1.1.i.	Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks through 2028. (SCW B1)	
OM 4.1.1.j.	Install at least 2, by 2014, and operate 4, through 2028, trash capture devices at stormwater outfalls in Santa Clara County. (SCW B2)	
OM 4.1.1.k.	Perform 52 annual clean-ups for the duration of the Safe, Clean Water program to reduce the amount of trash and pollutants entering the streams. (SCW B4, Encampment Cleanup)	
OM 4.1.1.l.	Conduct 60 clean-up events (4 per year) through 2028. (SCW B6, Graffiti and Trash)	
OM 4.1.1.m.	Provide up to $8 million for the acquisition of property for the conservation of habitat lands, total through 2028. (SCW D7)	
4.1.2. Improve watersheds, streams, and natural resources.		**734,964**
OM 4.1.2.a.	Establish agreement with the US Fish and Wildlife Service to reuse sediment at locations to improve the success of Salt Pond restoration activities by 2017. (SCW D8)	
OM 4.1.2.b.	Update 3 creek hydrology models annually.	
OM 4.1.2.c.	Develop 5 Stream Corridor Priority Plans to prioritize stream restoration activities by 2028. (SCW D3)	
OM 4.1.2.d.	Revitalize at least 21 acres guided by the 5 Stream Corridor Priority Plans, through native plant revegetation and removal of invasive exotic species by 2028. (SCW D2)	
OM 4.1.2.e.	Provide funding for revitalization of at least 7 of 21 acres through community partnerships through 2028. (SCW D2)	
OM 4.1.2.f.	Develop at least 2 plant palettes (1 riparian and 1 wetland) for use on revegetation projects to support birds and other wildlife by 2017. (SCW D2)	
OM 4.1.2.g.	Complete planning and design for two creek/lake separations by 2019. (SCW D4)	
OM 4.1.2.h.	Construct one creek/lake separation project in partnership with local agencies. (SCW D4)	

E4 Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

OM 4.1.2.i.	Use $6 million for fish passage improvements through 2019. (SCW D4)	
OM 4.1.2.j.	Conduct study of all major steelhead streams in the County to identify priority locations for installation of large woody debris and gravel as appropriate by 2019. (SCW D4)	
OM 4.1.2.k.	Install large woody debris and/or gravel at a minimum of 5 sites (1 per each of 5 major watersheds) by 2019. (SCW D4)	
OM 4.1.2.l.	Construct site improvements up to $4 million to allow for transportation and placement of future sediment by 2017. (SCW D8)	
4.1.3. Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.		**2,948,810**
OM 4.1.3.a.	Three instream habitat features protected by 2017.	
OM 4.1.3.b.	Maintain partnership with cities and County to address surface water quality improvements through 2028. (SCW B2)	
OM 4.1.3.c.	Support 5 pollution prevention activities to improve surface water quality in Santa Clara County either independently or collaboratively with south county organizations through 2028. (SCW B2)	
OM 4.1.3.d.	Provide 7 grant cycles and 5 partnerships that follow pre-established competitive criteria related to preventing or removing pollution through 2028. (SCW B3)	
4.1.4. Engage and educate the community in the protection of water quality and stream stewardship.		**2,398,019**
OM 4.1.4.a.	100% of Clean, Safe Creeks stewardship grant agreements are signed, according to schedule.	
OM 4.1.4.b.	Fund District support of annual National River Cleanup day, California Coastal Cleanup Day, the Great American Pick Up, and fund the Adopt-A-Creek Program through 2028. (SCW B7)	
OM 4.1.4.c.	Provide 7 grant cycles and 3 partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities through 2028. (SCW B7)	
4.1.5. Prepare and respond to emergencies that threaten local waterways.		**210,396**
OM 4.1.5.a.	Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two hours or less through 2028. (SCW B5)	
4.1.6. To the extent within practicable control of the District, adopt a strategy to restore the salmonid fishery on identified salmonid streams within fifteen years of strategy adoption by creating suitable accessible spawning and rearing.		**696,382**
E4.1 Subtotal		**27,124,873**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.2 Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.

4.2.1. Support healthy communities by providing access to additional trails, parks, and open space along creeks and in the watersheds.		1,726,512
OM 4.2.1.a.	Provide 7 grant cycles and additional partnerships for $21 million that follow pre-established criteria related to the creation or restoration of wetlands, riparian habitat and favorable stream conditions for fisheries and wildlife, and providing new public access to trails through 2028. (SCW D3)	
4.2.2. Support healthy communities by providing appropriate public access to District facilites.		0
OM 4.2.2.a.	Agreements with responsible partner agencies are in place for appropriate public access to District facilities	
E4.2 Subtotal		**1,726,512**

E4	Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.	
	E4.3 Strive for zero net greenhouse gas emission or carbon neutrality.	
	4.3.1. Reduce greenhouse gas emissions to achieve carbon neutrality by 2020.	659,509
	OM 4.3.1.a. Maintain California Green Business Certification.	
	OM 4.3.1.b. By 2020, the amount of District greenhouse gas emissions is equal to or less than carbon offsets as calculated by the District carbon offset methodology.	
	E4.3 Subtotal	**659,509**
	E4 Total	**29,510,894**

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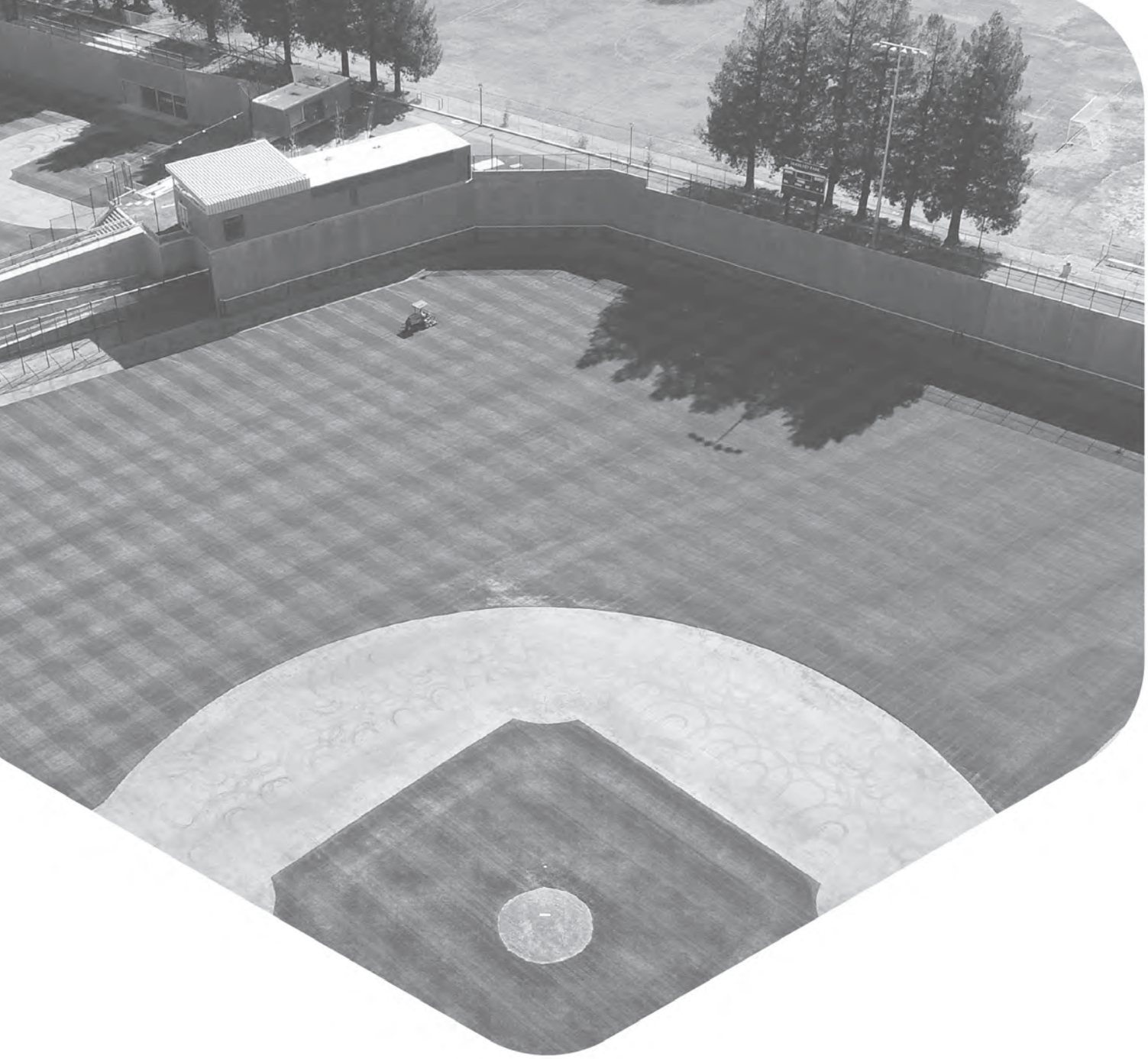
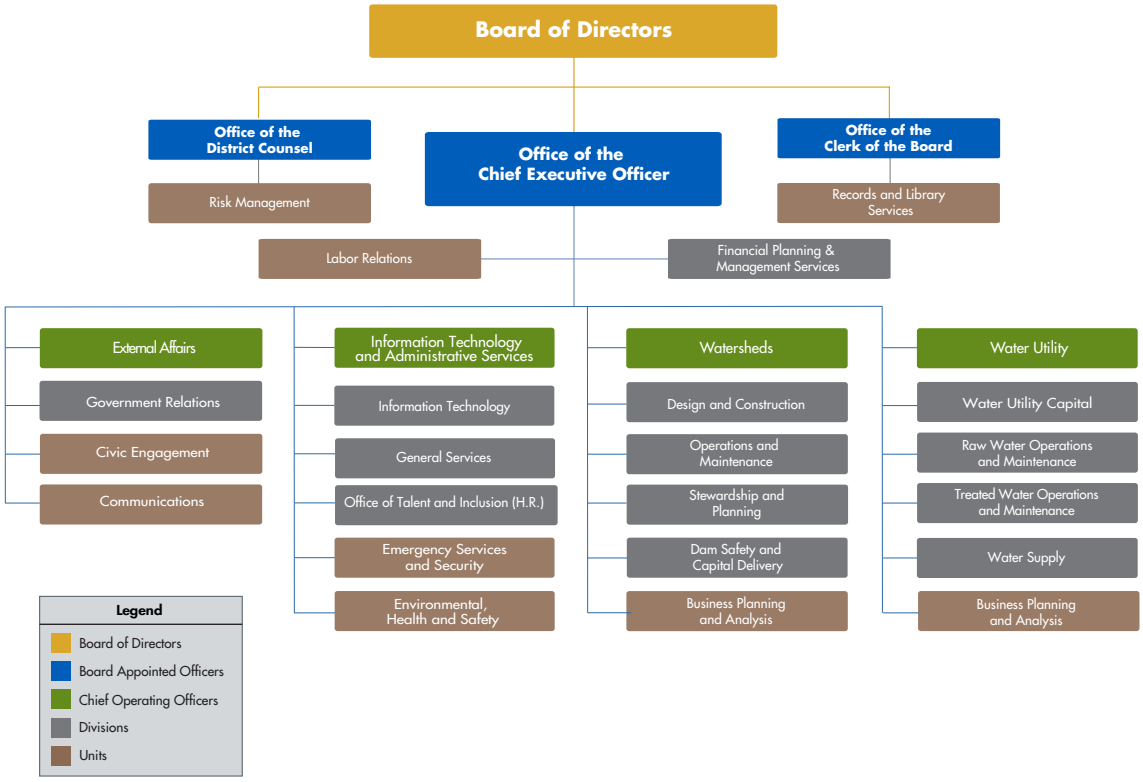


Division Summaries

FY 2020–21
Operating and Capital Budget

DIVISION SUMMARIES

Valley Water Organizational Chart



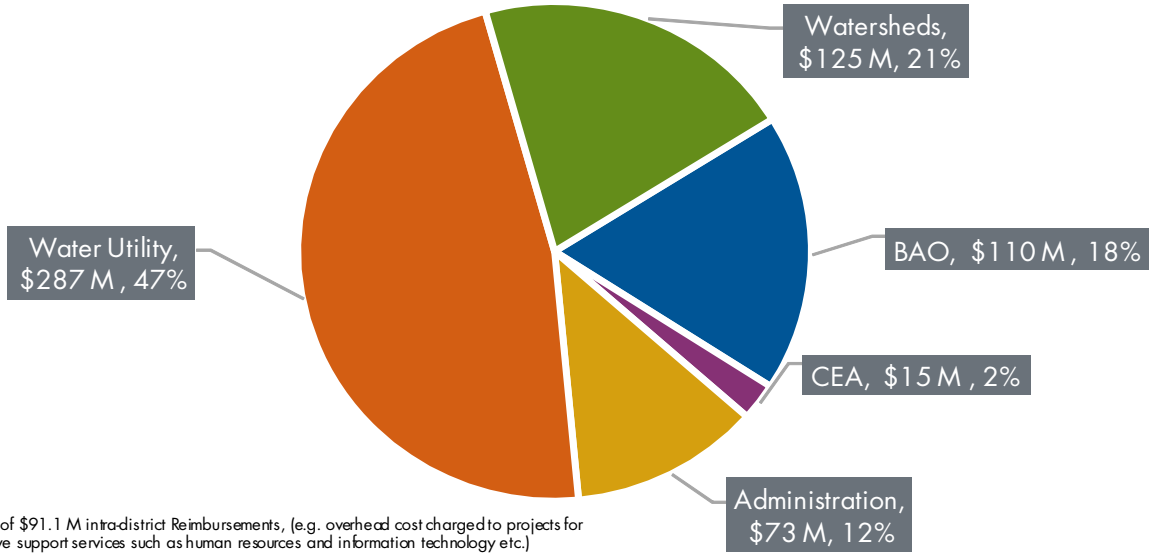
Description

The Santa Clara Valley Water District (Valley Water) utilizes a project-based budget to accurately appropriate budget to the various funds and assess precise water rates. The project-based budget is presented by ends outcomes and at the fund level in chapters 4 and 6.

The Division Summary chapter is another way of looking at Valley Water's budget. This chapter represents a functional view of Valley Water displaying all expenses that are charged by the organization area, division, and department by project type and account category.

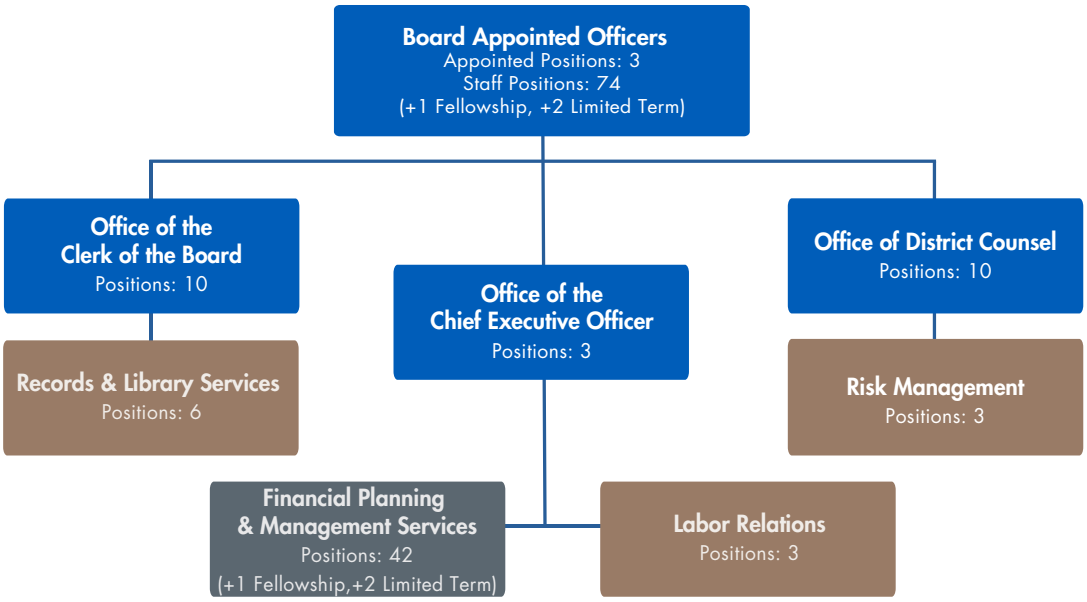
The first financial table that displays expenses by project type includes "Operations" capturing on-going costs and "Operating" capturing one-time, non-capital expenses. The chapter also includes authorized position counts for three fiscal years. Organization areas and their division and departments begin with an organization chart showing the FY 2021 budget and positions. Each area also has an overview of the services they provide, their objectives, accomplishments, and milestones.

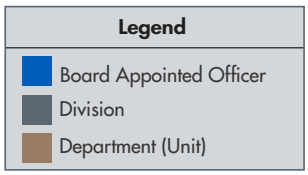
FY 2020-21 Adopted Budget Summary by Org Area, $610 Million[1]



[1]Total is net of $91.1 M intra-district Reimbursements, (e.g. overhead cost charged to projects for administrative support services such as human resources and information technology etc.)

Board Appointed Officers

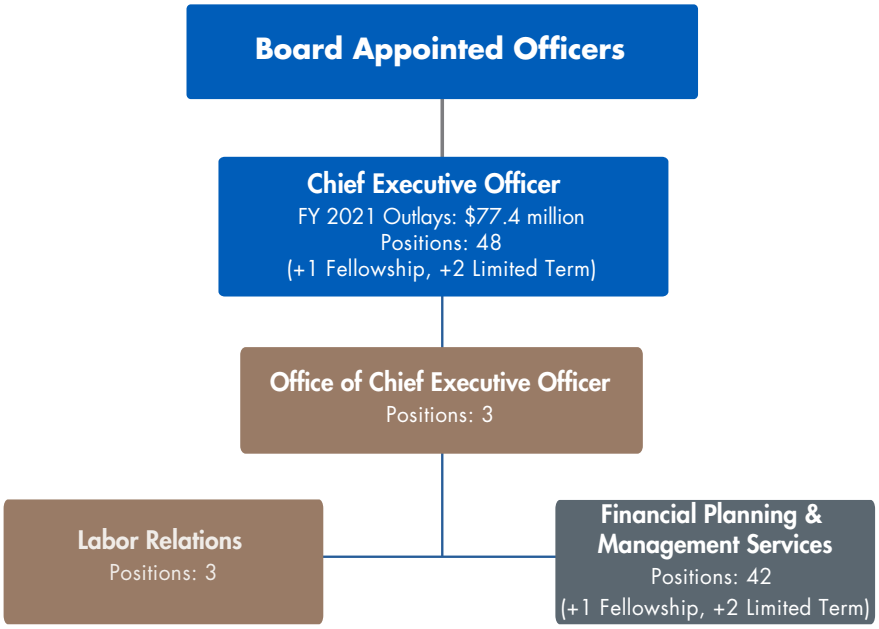


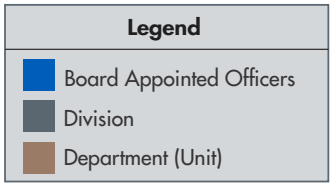


Description

Board Appointed Officers support the mission of the Santa Clara Valley Water District (Valley Water), to provide Silicon Valley safe, clean water for a healthy life, environment, and economy through essential core services for Valley Water, and include the Chief Executive Officer, the District Counsel and the Clerk of the Board. Board Appointed Officers provide executive leadership of Valley Water; support to the Board of Directors and ensure that Valley Water efficiently implements the Board's Ends policies in conformance with Executive Limitations policies; high quality trustworthy and responsive legal counsel to Valley Water in a manner that creatively assists in accomplishing Valley Water's mission; and maximize public access to the citizens of Santa Clara County in accordance with the State of California Ralph M. Brown Act.

Office of the CEO





Division Description and Objectives

The Office of the Chief Executive Officer (CEO) provides strategic direction and oversight to lead Valley Water in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board of Directors to ensure that Valley Water meets the Board's Ends policies and complies with the Boards' Executive Limitations Policies in a transparent, cost-effective, and efficient manner. The Office of the CEO also oversees Labor Relations and the Financial Planning and Management Services Division.

Labor Relations

Labor Relations promotes a proactive, and positive labor relations program, in compliance with legal mandates, negotiated agreements, and constructive management principles. Labor Relations represents Valley Water management in all matters involving labor relations. Labor Relations negotiates, interprets, applies, and enforces contracts and regulations and acts as a resource in the areas of administrative policies and procedures.

FY 2020 Accomplishments

During FY 2020, the Office of the CEO completed the following activities:

- Successfully held monthly Management Leadership Team meetings for management team building and development as well as communication, discussion, and presentations of real-time issues affecting Valley Water.
- Consistently held monthly Leadership Team meetings to engage in dialogue on processes, issues, and activities impacting Valley Water and to inform the Leadership Team of issues and challenges.
- Fostered cooperative and collaborative working relationships with other agencies.
- Maintained transparency by sending out organization-wide communications regarding key Board decisions and major issues. In addition to organization-wide communications, the Office of the CEO posts to the CEO Corner on aqua.gov to keep staff informed and respond to staff inquiries.
- Provided bi-weekly updates to the Board through the Board Fact Sheet regarding progress on the Board's FY20 Board Priorities as outlined in the Board Work Plan.
- Ensured organizational fiscal accountability and transparency through an open and transparent budget process.
- Represented Valley Water in meetings and at conferences including Water Solutions Network Annual Retreat, WateReuse Symposium, CFEE Conference, ACWA Conferences, Annual CUWA Board Workshop, Western Urban Water Coalition Meetings, NAFSMA, CDSA GM Leadership Summit, and AWWA Annual Conference.
- Reviewed expenses to ensure they are within budget allocation.
- Organized a Board Strategic Planning Retreat on February 18, 2020, to identify strategic priorities and develop the FY21 Board Work Plan.
- Provided leadership and organizational guidance during the COVID-19 pandemic and shelter-in-place directive, declaring the State of Emergency for Valley Water and hosting weekly Town Hall Meetings to keep employees regularly informed.
- Developed Individual Classification Study Work Instruction with Human Resources. Negotiated Work Instruction with the Bargaining Units.
- Developed Living Wage Policy Adopted by the Valley Water Board of Directors.
- Worked with Benefits Unit in the development and implementation of new Temporary Promotion/Out of Class Work Instruction.
- Facilitated and negotiated with appropriate bargaining units, multiple re-organizations in Watersheds, Water Utility, and Administration Divisions.
- Worked with the Human Resource staff and District Counsel office to develop a partial service retirement program for designated key staff members.
- Facilitated eleven separate training opportunities for managers and supervisors.
- Hosted/facilitated Board of Directors and Bargaining Unit workshop on pensions.

- Developed Management 101 training on Labor Relations issues to managers and supervisors at Valley Water. Training postponed due to COVID-19.
- Worked with Valley Water Board of Director's Capital Improvement Program Committee to develop a Project Labor Agreement recommendation to Valley Water Board of Directors.

FY 2021 Milestones

- Ensure organizational fiscal accountability and transparency through June 2021.
- Maintain and ensure approved audit recommendations are fully implemented through June 2021.
- Update the strategies for achieving the Board Ends Policies by June 2021.
- Ensure that systematic workforce development and succession planning process is implemented by June 2021.
- Establish a process and receive a half-yearly compliance status memo from Chiefs stating Executive Limitation policy compliance and identification of any known non-compliance issue with corrective action stated through June 2021.
- Attend monthly City Manager's Meetings through June 2021.
- Attend monthly meetings in Sacramento – CEO sits on Board for monthly Delta Habitat Conservation and Conveyance Program (DHCCP), State and Federal Contractors Water Agency (SFCWA) meetings, and California Urban Water Agencies (CUWA) bi-monthly meetings through June 2021.
- Attend business related conferences, such as City Managers' conference, Association of California Water Agencies' conferences, and other pertinent conferences through June 2021.
- Review expenses to ensure they are within budget allocations.
- Report on labor relation issues at the Management-Leadership Team meetings (quarterly).
- Collaborate with Workforce Development Department to develop training programs, as appropriate, by June 30, 2021.
- Provide coaching and training to managers according to policies and MOU, as needed, by June 30, 2021.
- Complete preparations for contract negotiations for successor MOU for EA, ES, and PMA, by June 30, 2021.
- Continue working with Valley Water's Capital Improvement Program Committee and Board of Directors regarding potential negotiation/implementation of the Project Labor Agreement.

Office of the CEO — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	2,089,490	1,926,613	2,219,480	292,867	15%
Total *	**2,089,490**	**1,926,613**	**2,219,480**	**292,867**	**15%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Labor Relations	816,904	840,209	933,066	92,857	11%
Office of the CEO	1,272,586	1,086,405	1,286,415	200,010	18%
Total *	**2,089,490**	**1,926,613**	**2,219,480**	**292,867**	**15%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of the CEO - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	6	6	6	0

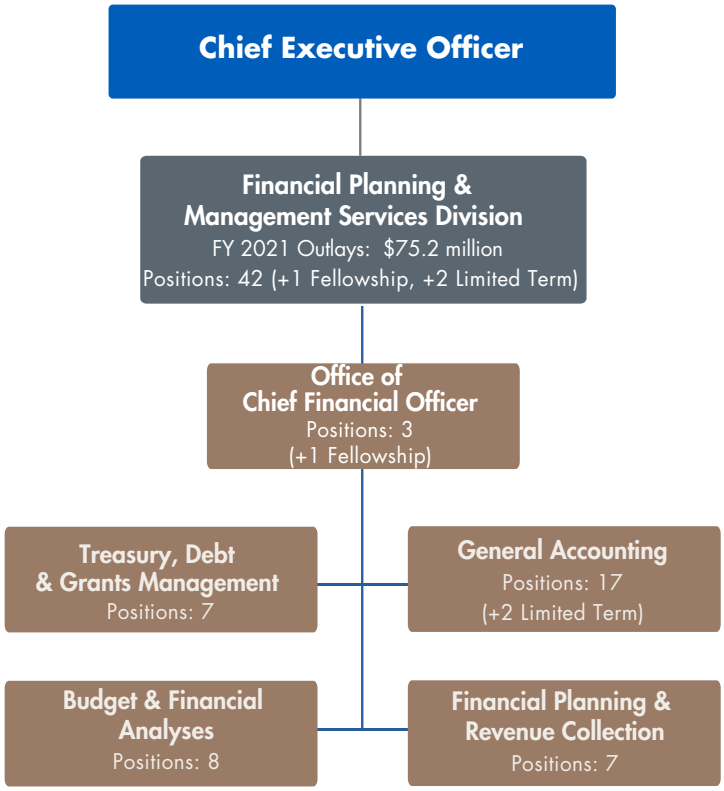
** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

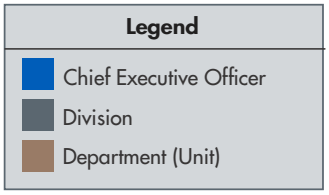
Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of the CEO					
	Salaries & Benefits	925,979	846,180	999,709	153,529
	Services & Supplies	242,483	133,700	137,800	4,100
	Intra District Charges	104,125	106,525	148,905	42,381
Office of the CEO (102) Total		**1,272,586**	**1,086,405**	**1,286,415**	**200,010**
Labor Relations					
	Salaries & Benefits	695,806	690,951	757,821	66,869
	Services & Supplies	36,537	56,985	54,600	(2,385)
	Intra District Charges	84,561	92,272	120,645	28,373
Labor Relations (917) Total		**816,904**	**840,209**	**933,066**	**92,857**
Operations Total*		**2,089,490**	**1,926,613**	**2,219,480**	**292,867**
Division Total*		**2,089,490**	**1,926,613**	**2,219,480**	**292,867**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Financial Planning and Management Services Division





Division Description and Objectives

Under the direction of the Chief Financial Officer, the Financial Planning and Management Services Division (FPMSD) serves as a partner to assist other departments in achieving their objectives. The primary roles of FPMSD are to facilitate necessary financial transactions, provide analyses and recommendations on decisions brought forth by operations, establish controls that minimize financial risks, and drive change or improvements in business

processes or practices in order to improve productivity.

Treasury, Debt, and Grants Management

Treasury, Debt, and Grants Management manages districtwide treasury, debt financing, and grants programs, which includes the investment portfolio with a book value of over $620 million, debt portfolio of over $600 million, and annual grants reimbursements in excess of $30 million. In addition to managing the debt service budget, the department also prepares all legally required reports to meet bond covenants as well as state and federal requirements to ensure compliance with securities laws. Furthermore, working with the external municipal advisor and bond/disclosure counsel, the department leads debt issuance activities to provide the necessary funding to pay for capital projects. The department leads grant management activities includes the application and administration of local, state, and federal grants and cost-sharing agreements for capital projects. Finally, the department provides professional financial advisory to support key capital projects such as the California Delta Conveyance Project, Pacheco Reservoir, Los Vaqueros Reservoir, Sites Reservoir, Recycled and Purified Water Public-Private-Partnership, among others. The department strives to achieve the objectives of maintaining high credit ratings, keeping financing costs low, ensuring the safety, liquidity, and yield of Valley Water's funds and maximizing grant funding opportunities.

Budget and Financial Analyses

Budget and Financial Analyses provides timely and accurate financial information and analyses throughout the year. The department captures the cost of the resources needed for managing, planning and implementing, districtwide processes that culminate with the production of the annual operating and capital budget document; provides districtwide financial analyses and high-level monitoring of financial results; and ensures that financial information provided to the Board, the public, and staff is accurate, reliable, and in accordance with Valley Water policy.

General Accounting

General Accounting includes the areas of General Ledger, Accounts Payable, Payroll, and Accounting Systems. The General Ledger area focuses on accounting and financial reporting in compliance with laws, regulations, Valley Water policies, and accounting professional standards. Accounts Payable is charged with processing payment disbursements to Valley Water's contractors, consultants, and vendors, administering petty cash, and filing payment documents. Payroll processes the bi-weekly payroll, employee benefits accounting, payroll tax withholdings, and submission of Federal and State reporting requirements. Accounting Systems provides for the maintenance and security of the processes and information within the enterprise resource planning software.

Financial Planning and Revenue Collection

Financial Planning prepares and manages long term financial plans and forecasts and drives the groundwater production charge setting process, which includes the preparation of the annual report on the Protection and Augmentation of Water Supplies (PAWS). Revenue Collection collects water revenue and property taxes/assessments for Valley Water. Water revenue is comprised of charges for treated, ground, recycled, and surface water usage. Property taxes/assessments collected are the voter-approved Safe Clean Water Special Tax, Flood Control Benefit Assessment, State Water Project levy, and the allocated share of countywide 1% ad valorem property tax receipts.

Continual Improvement

Continual Improvement supports the CEO's ability to lead the organization and ensure the Board is informed and supported in its work. The Continual Improvement department carries out this support through Valley Water's Quality and Environmental Management System, facilitating Board-commissioned, CEO-commissioned, and/or internal audits, and communicating monitoring data to the Board on the status of achieving its Ends Policies.

FY 2020 Accomplishments

During FY 2020, the FPMSD completed the following activities:

- Earned $13 million in interest income from the investment portfolio.
- Met all debt compliance legal requirements such as the Annual Continuing Disclosure filing on EMMA as required by the Securities Exchange Commission, and California State Treasurer's Annual Debt Transparency Report.
- Provided ongoing financial support for various projects, such as the Delta Conveyance, Palo Alto/Mountain View Recycled and Purified Water option analysis, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.
- Completed various debt financings: $150 million Letter of Credit renewal; $38 million debt refunding (Series 2019C) which yielded budgetary savings of approximately $700,000 per year and total net present value budgetary savings of $9.7 million; replaced two standby letters of credit (LOCs) with new LOCs; issued $120 million in Commercial Paper, and obtained board approval for solicitation and negotiation of up to $200 million in revolving line(s) of credit.
- Increased local bank investments to $28 million, or about 4.5% of the investment portfolio in compliance with the Board's direction to invest up to 5% of the portfolio in local banks.
- Successful completion of FY2019 Single Audit.
- Successful completion of DWR's Flood Control Subventions Program Audit for Lower Silver Creek Watershed Project Claims 86 through 91 by State Controller's Office.
- Successful completion and close-out of the $25 million grant from the California Department of Water Resources (DWR) for the Stormwater Flood Management Grant Program for the Lower Silver Creek Reaches 4 – 6 and Lake Cunningham Project.
- Developed a cost of service tool that equitably distributes costs based on the proposed Groundwater Benefit Zones that stem from the most recent groundwater benefit study.
- Completed the first half of FY 2020 QEMS internal audits.
- Facilitated completion of QEMS internal Audits.
- Delivered PERS/OPEB update to Board on Nov 26, 2019.
- Provided leadership and support to the Financial Sustainability Group in their effort to complete the activities including, (i) Reviewed opportunities to assess fees related to city/county development plans; (ii) Reviewed and discussed flood protection related ends policies; (iii) Reviewed Redevelopment Agency (RDA) Successor Agency revenue historical actuals and forecast; and (iv) Discussed potential Safe Clean Water renewal effort.
- Produced FY 2020-21 Adopted Summary Document prior to June 30, 2020.
- Distributed FY 2020-21 Adopted Budget Summary prior to July 1, 2020.
- Finalized the FY18-19 Comprehensive Annual Financial Report in accordance with the Governmental Finance Officers Association standards for excellence.

- Continued implementation of Munibilling for groundwater, recycled water, and surface water accounts.
- Completed audit of the District's 2018-2019 parcel tax database to determine if the parcels were assessed/taxed with the approved assessment methodology.
- Streamlined the Senior Exemption Program. Increased the number of active seniors in the Senior Exemption Program to 4,755.
- Property Tax totals for FY19/20: Safe Clean Water - $46.5M, Flood Control Benefit Assessment - $13.6M.
- Completed, produced, and filed the 49th Annual Report on the Protection and Augmentation of Water Supplies.

FY 2021 Milestones

- Actively manage $600M+ investment portfolio, and $600M long-term debt portfolio and $150 million Commercial Paper Program.
- Solicit and negotiate up to $200 million revolving line(s) of credit to provide ongoing liquidity to support the capital improvement plan and eligible purposes.
- Issue Water Utility Refunding Revenue Bonds, Series 2020A/B, and 2021A/B with an estimated par amount of $122 million and $131 million respectively.
- Provide ongoing financial support for various projects, such as the California Delta Conveyance, Countywide Water Reuse Program, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.
- Manage grants, cost-sharing agreements, and State Flood Subvention Program; prepare quarterly reporting and schedule/claims for allowable expenditures.
- Facilitate completion of QEMS internal audits.
- Oversee CEO-directed and Board-directed audit contracts and monitor contract expenditures on an ongoing basis.
- Provide PERS/OPEB update to the Board by March of each year.
- Complete Comprehensive Development Impact Fee studies if consultant $'s are funded.
- Continue to provide leadership and support to the Financial Sustainability Group.
- Produce a structurally balanced budget throughout the budget process and finalize the Adopted Budget Summary in time for Board Adoption on or prior to June 30, on an annual basis. Additionally, distribute the Adopted Budget Summary within one month after Board Adoption or prior to July 1.
- Address Budget requests during the fiscal year for projects, services, or staff requests that are unbudgeted as part of the Adopted Budget; identify spending offset or funding source at the time of the request and ensure that the request has a net-zero effect, a balanced transaction, on the budget.
- Ensure that all Valley Water Funds shall maintain adequate reserves per the District Reserve policy and maintain prudent financial planning to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. The department will update districtwide reserve schedules within 24 hours of any budget adjustment.
- In preparation for each budget pass, produce position file, overhead, and benefit rates. After each budget pass, produce proforma reports, trend data information on selected items, fund target analysis results, and detail budget files (reports are produced in March, April, and May).
- Produce and support the organization with detailed analysis and presentation materials for senior management and Board of Directors meetings and presentations.

- Load Adopted Budget to Financial System by July 1 and publish on Valley Water's website by July 30. Additionally, annually, prepare and obtain approvals for Purchase Orders and contracts for budget systems by September of each year, monthly financial reports within one week of accounting period closing and final carry forward budget in October.
- Review Board Agenda materials for accuracy and consistency with financial policy and practices within 24 hours of receipt.
- Process month-end close by the 10th of the following month.
- Finalize the Comprehensive Annual Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by the end of December 2020, maintaining the District's "Unmodified Audit Opinion" regarding the independent examination of District Financials.
- Print weekly vendor checks by Thursday afternoon and send to the mailroom by Friday morning.
- Process and distribute employee paychecks by Thursday morning every other week.
- Submit the FY20 Financial Transactions Report to the State Controller's Office by the end of February 2021.
- Submit 2020 calendar year Compensation Report to the State Controller's Office by April 2021.
- Generate semi-annual and annual groundwater, surface water, and recycled water statements by January and July of each year. Generate monthly groundwater and treated water invoices by the 10th of each month.
- Submit SCW special tax and benefit assessment tax information to the county assessor's office by August of each year.
- Compile, produce, and file with the Clerk of the Board the annual report on the Protection and Augmentation of Water Supplies on or before the last Friday in February.
- Implement new INFOR Enterprise Resource Planning (ERP) System by the end of FY21.
- Participate in ERP implementation to ensure accurate data load of budget data to/from the INFOR (New ERP) and Vena (currently the budget system).
- Revise and improve Budget Status reports after the implementation of ERP system.
- Provide Annual SCW financial report and other financial information to be included in the Safe Clean Water and Natural Flood Protection Annual Report.

Financial Planning and Management Services Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	11,706,133	11,508,565	12,787,214	1,278,649	11%
Operating Project	0	0	0	0	0%
Debt Service	42,451,281	58,607,155	61,811,513	3,204,358	5%
Capital	43,990	126,459	573,011	446,552	353%
Total *	**54,201,404**	**70,242,179**	**75,171,739**	**4,929,560**	**7%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Office of CEO Support	632,698	0	0	0	0%
Budget and Financial Analyses	1,947,497	2,134,557	2,259,970	125,412	6%
Office of CFO	1,237,061	2,436,453	1,877,543	(558,911)	-23%
Continual Improvement	272,504	0	0	0	-23%
Treasury, Debt, and Grants Management	44,483,527	59,759,314	64,152,216	4,392,902	7%
General Accounting	3,321,042	3,571,158	4,304,049	732,891	21%
Financial Planning and Revenue Collection	2,307,076	2,340,696	2,577,961	237,265	10%
Total *	**54,201,404**	**70,242,179**	**75,171,739**	**4,929,560**	**7%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Financial Planning and Management Services Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**42**	**41**	**42**	**1**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of CEO Support					
	Services & Supplies	632,698	0	0	0
Office of CEO Support (105) Total		**632,698**	**0**	**0**	**0**
Treasury, Debt, and Grants Management					
	Salaries & Benefits	900,955	749,287	1,479,153	729,866
	Services & Supplies	877,930	176,150	172,700	(3,450)
	Intra District Charges	220,968	100,263	491,760	391,496
Treasury, Debt, and Grants Management (106) Total		**1,999,853**	**1,025,700**	**2,143,613**	**1,117,912**
Office of CFO					
	Salaries & Benefits	962,955	1,276,800	934,409	(342,391)
	Services & Supplies	75,228	831,400	796,600	(34,800)
	Intra District Charges	186,044	328,254	146,534	(181,720)
Office of CFO (116) Total		**1,224,227**	**2,436,453**	**1,877,543**	**(558,911)**
Continual Improvement					
	Salaries & Benefits	210,405	0	0	0
	Services & Supplies	28,106	0	0	0
	Intra District Charges	33,669	0	0	0
	Capital Expenditures	323	0	0	0
Continual Improvement (120) Total		**272,504**	**0**	**0**	**0**
Budget and Financial Analyses					
	Salaries & Benefits	1,550,260	1,734,491	1,784,146	49,654
	Services & Supplies	218,898	174,500	196,500	22,000
	Intra District Charges	178,339	225,566	279,324	53,758
Budget and Financial Analyses (606) Total		**1,947,497**	**2,134,557**	**2,259,970**	**125,412**
General Accounting					
	Salaries & Benefits	2,892,756	2,977,708	3,256,102	278,395
	Services & Supplies	108,863	205,250	186,250	(19,000)
	Intra District Charges	319,859	388,201	485,777	97,576
	Capital Expenditures	801	0	0	0
General Accounting (673) Total		**3,322,279**	**3,571,158**	**3,928,129**	**356,971**
Financial Planning and Revenue Collection					
	Salaries & Benefits	1,376,053	1,375,649	1,500,300	124,650
	Services & Supplies	161,082	227,000	302,500	75,500
	Intra District Charges	769,941	738,047	775,161	37,115
Financial Planning and Revenue Collection (683) Total		**2,307,076**	**2,340,696**	**2,577,961**	**237,265**
Operations Total*		**11,706,133**	**11,508,565**	**12,787,214**	**1,278,649**

Debt Service Budget by Department and Account Category

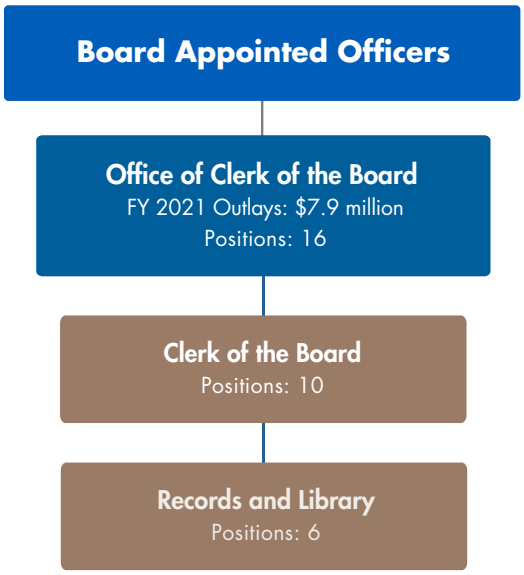
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Treasury, Debt, and Grants Management					
	Services & Supplies	884,622	4,394,440	3,014,438	(1,380,002)
	Debt Service	41,566,659	54,212,715	58,797,075	4,584,360
Treasury, Debt, and Grants Management (106) Total		**42,451,281**	**58,607,155**	**61,811,513**	**3,204,358**
Debt Service Total*		**42,451,281**	**58,607,155**	**61,811,513**	**3,204,358**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Treasury, Debt, and Grants Management					
	Salaries & Benefits	39,768	81,595	42,974	(38,621)
	Services & Supplies	(32,813)	0	130,000	130,000
	Intra District Charges	25,438	44,864	24,116	(20,748)
Treasury, Debt, and Grants Management (106) Total		**32,394**	**126,459**	**197,091**	**70,632**
Office of CFO					
	Salaries & Benefits	8,543	0	0	0
	Intra District Charges	4,290	0	0	0
Office of CFO (116) Total		**12,833**	**0**	**0**	**0**
General Accounting					
	Salaries & Benefits	(1,237)	0	264,400	264,400
	Intra District Charges	0	0	111,520	111,520
General Accounting (673) Total		**(1,237)**	**0**	**375,920**	**375,920**
Capital Total*		**43,990**	**126,459**	**573,011**	**446,552**
Division Total*		**54,201,404**	**70,242,179**	**75,171,739**	**4,929,560**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of Clerk of the Board



Division Description and Objectives

The Office of the Clerk of the Board (COB) directly supports the work of the Valley Water Board of Directors, including Board Governance Policy management, Board performance monitoring, lobbyist reporting, and tracking, elections, regulatory, administrative, and liaison support services to the Board, its Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, and Valley Water staff.

The Office of the Clerk of the Board facilitates the public's access to Board information, including Board and committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members' expenses in accordance with District Ordinance 02-01, Resolution 11-73, Board Governance Policy GP-10, and maintains the integrity of the Board's legislative records, processes, and actions. The Office of the Clerk of the Board also oversees Records & Library Services.

Records & Library Services

Records & Library Services provides the administration of the Records Management Center and the Valley Water Library (including secure storage, retrieval, and proper disposition of Valley Water records and reference materials); document control for District administrative policies; and administration of the Valley Water Records Management Program; and the provision of Valley Water's responses to legal demands for records.

FY 2020 Accomplishments

During FY 2020, the COB completed the following activities.

- Successfully managed over 35 Regular and Special Board meetings in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully managed over 55 Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act.
- Successfully scheduled over 900 meetings for individual Directors.
- Tracked, monitored, and reported on the registration of external lobbyists in accordance with Ordinance 10-01.
- Assigned, tracked, and monitored approximately 225 Board Correspondences.
- Assigned and tracked approximately 30 Board Member Requests and 30 Individual Board Member Requests in accordance with Board Governance Policy EL-2.6.
- Successfully revised the Board-approved Board Performance Management process.
- Successfully coordinated and presented Board Work Plan for Board approval.
- Successfully implemented and managed virtual and teleconferenced Board meetings in compliance with COVID-19 Shelter In Place Orders.
- Provided secure storage, retrieval, and proper disposition of Valley Water records and reference materials as required.
- Processed approximately 300 requests for records services from Valley Water staff.
- Responded to approximately 400 requests for access to or copies of Valley Water records from members of the public.
- Processed approximately 1000 Engineering drawings and 200-300 boxes of records.
- Supported the redesign of the external website with user search behavior analysis, and enhanced metadata development.
- Developed intranet resource pages to assist staff in locating records relevant to their work needs.
- Proposed updates to Records Retention Schedules to streamline workflows and enhance the electronic management of various records types.

FY 2021 Milestones

- Schedule presentation of Board Advisory Committee Accomplishment Reports to the Board of Directors by February 2021.
- Coordinate the Surface Water Charge protest and verification process to be completed no later than May 2021.
- Coordinate and present 2021 Board Meeting Compensation information and hearing in January 2021.
- Provide the Board of Directors with a report of registered external lobbyists by August 2020 and February 2021.
- Assign, track, and monitor Board Member Requests, responses and staff performance to ensure compliance with Governance Policy EL-7.9.
- Assign, track, and monitor Board Correspondence to ensure compliance with Governance Policy EL-2.6.
- Post Board and Board Committee meeting agendas in accordance with District Act, Board Governance Policies, and the Ralph M. Brown Act with 100% compliance.
- Coordinate and present Board Performance Management Report in December 2020 and June 2021.
- Coordinate and present Board Work Plan by May 2021.
- Manage Election Process for Districts 2, 3, and 5.
- Review records inventory and administrative policies annually by June 30.

Office of Clerk of the Board — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	3,960,024	4,008,583	7,903,615	3,895,032	97%
Operating Project	0	0	0	0	0%
Capital	1,822	0	0	0	0%
Total *	**3,961,846**	**4,008,583**	**7,903,615**	**3,895,032**	**97%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Office of Clerk of the Board	2,732,667	2,745,322	6,602,911	3,857,588	141%
Records and Library Services	1,229,179	1,263,260	1,300,704	37,444	3%
Total *	**3,961,846**	**4,008,583**	**7,903,615**	**3,895,032**	**97%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of Clerk of the Board - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**16**	**16**	**16**	**0**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of Clerk of the Board					
	Salaries & Benefits	1,902,688	1,873,673	2,078,881	205,208
	Services & Supplies	611,606	635,511	4,210,922	3,575,411
	Intra District Charges	218,373	236,139	313,108	76,969
Office of Clerk of the Board (604) Total		**2,732,667**	**2,745,322**	**6,602,911**	**3,857,588**
Records and Library Services					
	Salaries & Benefits	976,193	1,023,357	1,043,487	20,130
	Services & Supplies	124,278	110,660	98,200	(12,460)
	Intra District Charges	126,886	129,243	159,016	29,774
Records and Library Services (765) Total		**1,227,357**	**1,263,260**	**1,300,704**	**37,444**
Operations Total*		**3,960,024**	**4,008,583**	**7,903,615**	**3,895,032**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Records and Library Services					
	Salaries & Benefits	1,161	0	0	0
	Intra District Charges	661	0	0	0
Records and Library Services (765) Total		**1,822**	**0**	**0**	**0**
Capital Total*		**1,822**	**0**	**0**	**0**
Division Total*		**3,961,846**	**4,008,583**	**7,903,615**	**3,895,032**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of District Counsel

Division Description and Objectives

The Office of District Counsel provides for professional, timely, and strategic legal advice to and representation of Valley Water and its officers and employees, and, for the management of the legal services and the related risk management functions. It includes both internal legal services and management of the external legal services provided to Valley Water. The Office of District Counsel also oversees the Risk Management Administration.

Risk Management

The mission of Risk Management is to protect assets by identifying and evaluating loss exposures and applying effective risk management techniques to reduce or eliminate risk. Specifically, the department is tasked with the management of Valley Water's Workers Compensation program and risk retention (self-insurance) and risk transfer (insurance) programs to cost-effectively maximize coverage and to comply with Board Governance policies.

FY 2020 Accomplishments

During FY 2020, the Office of District Counsel completed the following activities:

- Provided timely legal advice to Valley Water, Valley Water's Board, officers, and employees.
- Provided representation to Valley Water relating to annual groundwater production charges.
- Provided environmental legal advice and representation as to the FAHCE complaint.
- Provided legal advice regarding imported water matters including water transfer agreements and litigation.
- Provided legal advice to Valley Water regarding on-going capital projects.
- Provided legal advice to the Office of Talent and Inclusion regarding on-going personnel and labor relations matters.
- Administered the Workers Compensation program in a manner that increased employee awareness of potential dangers and sought to reduce employee injuries and accidents.
- Completed the RFP process for WC TAP and Occupational Health Service Providers.
- Administered the Liability and Property programs in a manner that provided prompt and fair adjustment of claims and losses.
- Draft Risk Management Manual describing all major functions of Risk Management.
- Completed Property Appraisals for all District properties for inclusion in Valley Water property insurance proposals.
- Settlement of almost all non-represented Presidents Day rain event claimant claims.
- Main Point of Contact between District and vendors related to claims.
- Worked with legal counsel, TPA, District Counsel, and staff to develop releases, secure settlement Judge, secure meeting locations, advertise and otherwise prepare for and assist in three separate claim payout dates for unrepresented claimants related to the Presidents' Day Rain Event.
- Conducted claim research to determine eligibility and claim amount related to paying claims of unrepresented claimants.

FY 2021 Milestones

- Provide quarterly Executive Monitoring Report (current litigation) to the Board of Directors.
- Placement of Excess Workers Compensation Insurance Policy by February 1, 2021.
- Post Cal/OSHA Log 300 February 1 through April 30, 2021.
- Report Valley Water injuries/illnesses at monthly Safety Committee meetings.
- Organize quarterly W/C claim file reviews.
- Interface with TPA and state governmental entities to ensure District compliance with new medical set-aside regulations.
- Provide periodic comprehensive reports detailing the progress of the W/C program. Secure Non-Owned Aircraft Policy by February 1, 2021.
- Secure 1st, 2nd, and 3rd Excess Liability Policies by May 1, 2021.
- Secure Drone Policy by May 31, 2021.
- Secure Cyber Liability Policy by June 1, 2021.
- Secure Property Insurance Policy by June 30, 2021.

- Review all policies for coverage and accuracy by June 30, 2021.
- Main Point of Contact between District and vendors related to claim activity.
- Work with legal counsel, TPA, District Counsel, and staff to provide support for litigation process and ready cases for trial or settlement.

Office of District Counsel — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	7,146,854	7,706,859	8,694,604	987,744	13%
Operating Project	205,478	100,000	646,000	546,000	546%
Capital	524,177	813,000	3,620,000	2,807,000	345%
Total *	**7,876,509**	**8,619,859**	**12,960,604**	**4,340,744**	**50%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Risk Management	3,547,248	3,177,664	4,150,387	972,723	31%
Office of District Counsel	4,329,261	5,442,195	8,810,217	3,368,021	62%
Total *	**7,876,509**	**8,619,859**	**12,960,604**	**4,340,744**	**50%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of District Counsel - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**13**	**13**	**13**	**0**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of District Counsel					
	Salaries & Benefits	2,706,420	2,780,924	3,113,441	332,517
	Services & Supplies	753,543	1,468,000	1,563,500	95,500
	Intra District Charges	345,121	380,271	513,276	133,005
Office of District Counsel (112) Total		**3,805,084**	**4,629,195**	**5,190,217**	**561,021**
Risk Management					
	Salaries & Benefits	670,590	668,792	720,044	51,252
	Services & Supplies	2,494,252	2,163,500	3,064,200	900,700
	Intra District Charges	382,407	345,372	366,143	20,771
Risk Management (113) Total		**3,547,248**	**3,177,664**	**4,150,387**	**972,723**
Operations Total*		**7,352,332**	**7,806,859**	**9,340,604**	**1,533,744**

Capital Budget by Department and Account Category

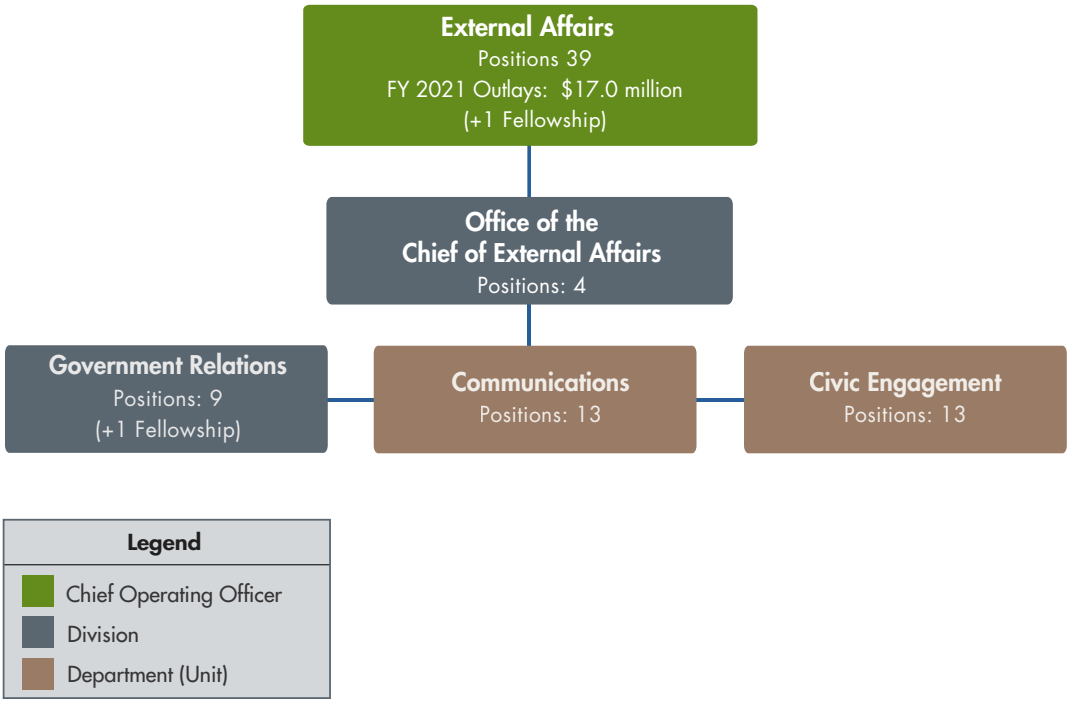
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of District Counsel					
	Services & Supplies	524,177	813,000	3,620,000	2,807,000
Office of District Counsel (112) Total		**524,177**	**813,000**	**3,620,000**	**2,807,000**
Capital Total*		**524,177**	**813,000**	**3,620,000**	**2,807,000**
Division Total*		**7,876,509**	**8,619,859**	**12,960,604**	**4,340,744**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

External Affairs

External Affairs is responsible for programs that increase community awareness and engagement about Valley Water programs, projects, and challenges. External Affairs provides the strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders.

Office of Chief of External Affairs



Division Description and Objectives

The Office of External Affairs provides management and strategic planning oversight and integration of the Office of Communication, Office of Civic Engagement, and Office of Government Relations. The Division is responsible for leading the efforts in developing the strategy and execution of internal and external communications to the media, community, and the public; and community engagement in the areas of education, volunteerism, and through grant programs and community rating system program. In addition, External Affairs leads all government relations efforts in local, regional, state, and federal levels, and is responsible for keeping the CEO, the Board, and other Valley Water staff informed of public policies that directly affect operations. External Affairs also provides executive oversight to the Youth Commission. Finally, External Affairs is leading the exploration of future funding opportunities through the potential renewal of the Safe, Clean Water, and Natural Flood Protection Program measure.

Office of Civic Engagement

The Office of Civic Engagement partners with the community through grants, volunteer opportunities, and educational activities, including staffing a board-appointed advisory youth commission, to raise public awareness and interest in water management resource issues, water pollution prevention, water conservation and build understanding, trust, and support of Valley Water's goals and mission. In addition, this office works to secure FEMA flood insurance discounts which benefit the community.

Office of Government Relations

The Office of Government Relations advocates at the local, regional, state, and federal levels to promote the water supply, flood protection, revenue enhancement, and environmental stewardship interests of Valley Water and the residents of Santa Clara County, in alignment with the Board's legislative priorities. Major activities include robust advocacy with elected and appointed officials and key advocacy stakeholders, execution of strategic partnerships, and community engagement through events and sponsorships.

Office of Communications

The Office of Communications informs, engages and educates the community and Valley Water employees about water supply and quality, flood protection and stream stewardship issues. In addition to being responsive to the community regarding updates on all Valley Water projects, the office also provides timely responses to media inquiries. Through social media platforms and marketing campaigns, Communications highlights the work of Valley Water and its Board of Directors.

FY 2020 Accomplishments

During FY 2020, External Affairs accomplishments include the following:

- Worked with Congresswoman Zoe Lofgren and others in the delegation to advocate for and secure: (i) $600,000 in USACE FY 2020 funding to continue the feasibility study for Phase II of the South San Francisco Bay Shoreline Project; and (ii) $1.5 million in USACE Work Plan funding to complete a General Reevaluation Report for the Upper Guadalupe River Flood Protection Project.
- Secured legislative passage of two Valley Water sponsored bills, with one ultimately signed by the Governor: (i) AB 707 (Kalra) Valley Water Contracting Threshold – Signed by Governor – Increases our agency's cost threshold above which a formal bidding process is required from $25,000 to $50,000; and (ii) SB 268 (Wiener) Enhanced Transparency for Local Tax Measures – Vetoed by Governor – The bill would have fixed several unintended consequences stemming from recently-enacted ballot label requirements that create problems for local bonds and tiered-rate taxes, including Valley Water's Safe, Clean Water parcel tax.
- Conducted the annual VIP Water Walk Tour of several priority project sites and the Advanced Water Purification Center for more than 40 elected officials and staff, as well as key advocacy stakeholders throughout the community, and coordinated Valley Water's participation in more than 30 events across Santa Clara County prior to the countywide shelter in place order.
- State Flood Control Subventions Funding – Successfully worked with the Department of Water Resources (DWR) to complete the administrative process to qualify the Shoreline Project for State Subventions funding.
- Launched the Water Infrastructure Bus Tour.
- Launched the Pilot Adopt-a-Bench Art Project with Youth Commission.
- Launched virtual programs for Education Outreach and Water Supply Outreach in response to the COVID-19 pandemic.
- From July 1, 2019 through March 2020, we garnered millions of social media impressions/engagements and video views, including more than 18 million Facebook, Instagram, and Twitter total impressions/engagements and 1,051,000 video views.

- Successful continuation of Valley Water's new brand identity implementation. The new design rollout has been incorporated to our website, collateral material, letterhead, and a working group was formed to address all the upcoming new brand identity items. After our Valley Water logo was emphasized during our all-employee Valley Water Night San Jose Giants event in August of 2019, we've unveiled three project legacy signs with our new brand identity so far.
- Robust community outreach on projects/programs that include Coyote Creek Flood Protection Project, Saratoga Creek Hazardous Tree Removal and Vegetation, Zone of Benefits, Upper Llagas Creek Flood Protection Project, Lake Cunningham Flood Detention Project, X-Band Radar event and McKelvey Ballpark ribbon cutting, including notable efforts like our annual flood awareness campaign which was enhanced with community outreach to areas prone to potential flooding, with targeted Get Flood Ready presentations/updates.

FY 2021 Milestones

- Board consideration and potential adoption of potential new Safe Clean Water program plan and potential placement of measure on 2020 ballot by end of July 2020.
- Pass AB 3005 (Rivas) the Expedited Dam Safety for Silicon Valley Act to expedite the Anderson Dam Seismic Retrofit Project.
- Conduct Mayor City Manager meetings and joint meetings with the Valley Water Board of Directors.
- Secure funding and authorization for Valley Water flood protection and water supply projects, utilizing stimulus and bond efforts as available.
- Continue community support and engagement through sponsorships and community events program.
- Conduct advocacy trips to Washington DC and Sacramento to advance Valley Water priorities (virtually if necessary).
- Partner with Silicon Valley Bicycle Coalition to identify and inventory Valley Water signs.
- Expand the Community Rating System Program.
- Grow the Year-Round Volunteer Program.
- Maintain robust social media engagement through the establishment of more creative content that highlights the mission of Valley Water, via our programs, capital project support activities, and our board of directors' work.
- Enhance brand identity with strategic signage strategy, including legacy signage rollout and other key updates to strengthen the name recognition of Valley Water throughout Santa Clara County.
- Continue keeping the community informed about Valley Water through ongoing public awareness campaigns that enhance our work, such as public awareness, flood awareness, water conservation, and other efforts that underscore the work of Valley Water.

Office of Chief of External Affairs — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	13,472,924	14,467,428	16,614,986	2,147,558	15%
Operating Project	17,490	0	0	0	0%
Capital	767,717	1,337,849	370,613	(967,236)	-72%
Total *	**14,258,130**	**15,805,277**	**16,985,599**	**1,180,322**	**7%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Office of Communications	4,526,384	5,009,835	5,153,912	144,077	3%
Office of Civic Engagement	5,623,217	6,143,832	6,281,671	137,839	2%
Office of Chief of External Affairs	979,327	989,065	1,483,392	494,326	50%
Office of Government Relations	3,129,202	3,662,544	4,066,624	404,080	11%
Total *	**14,258,130**	**15,805,277**	**16,985,599**	**1,180,322**	**7%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of Chief of External Affairs - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**34**	**36**	**39**	**3**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

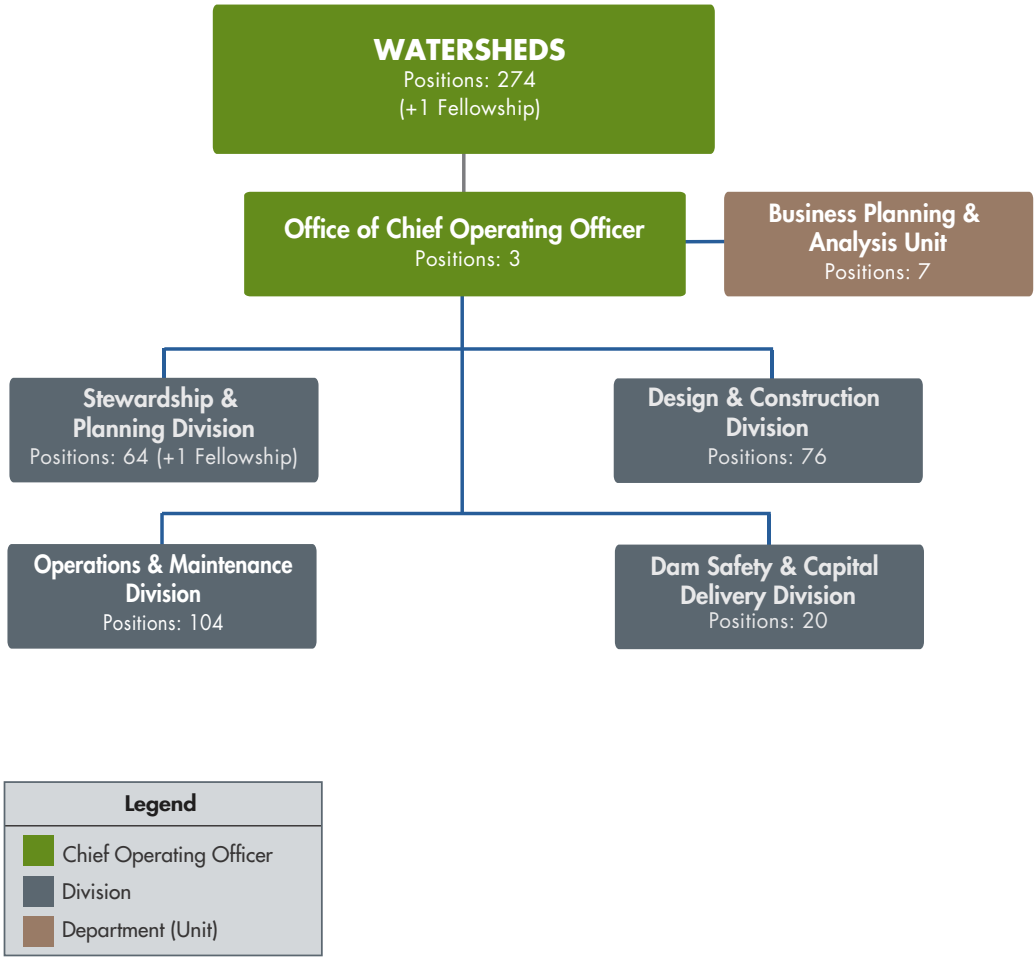
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of Chief of External Affairs					
	Salaries & Benefits	784,984	751,278	1,112,609	361,331
	Services & Supplies	98,533	136,100	192,700	56,600
	Intra District Charges	95,730	101,687	178,083	76,396
Office of Chief of External Affairs (107) Total		**979,247**	**989,065**	**1,483,392**	**494,326**
Office of Government Relations					
	Salaries & Benefits	1,505,392	2,199,970	2,248,734	48,764
	Services & Supplies	1,382,122	1,193,610	1,490,760	297,150
	Intra District Charges	241,688	261,649	327,130	65,481
Office of Government Relations (152) Total		**3,129,202**	**3,655,228**	**4,066,624**	**411,396**
Office of Civic Engagement					
	Salaries & Benefits	1,499,916	1,971,008	2,580,092	609,084
	Services & Supplies	3,548,178	3,280,370	2,761,650	(518,720)
	Intra District Charges	569,897	570,206	857,175	286,969
Office of Civic Engagement (153) Total		**5,617,991**	**5,821,584**	**6,198,917**	**377,333**
Office of Communications					
	Salaries & Benefits	1,919,597	2,120,554	2,633,064	512,510
	Services & Supplies	1,431,857	1,443,480	1,443,250	(230)
	Intra District Charges	412,519	437,516	789,739	352,223
Office of Communications (172) Total		**3,763,973**	**4,001,551**	**4,866,054**	**864,503**
Operations Total*		**13,490,414**	**14,467,428**	**16,614,986**	**2,147,558**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of Chief of External Affairs					
	Salaries & Benefits	80	0	0	0
Office of Chief of External Affairs (107) Total		**80**	**0**	**0**	**0**
Office of Government Relations					
	Salaries & Benefits	0	4,731	0	(4,731)
	Intra District Charges	0	2,585	0	(2,585)
Office of Government Relations (152) Total		**0**	**7,316**	**0**	**(7,316)**
Office of Civic Engagement					
	Salaries & Benefits	3,115	173,378	43,968	(129,410)
	Services & Supplies	244	50,000	18,400	(31,600)
	Intra District Charges	1,867	98,871	20,386	(78,484)
Office of Civic Engagement (153) Total		**5,226**	**322,249**	**82,755**	**(239,494)**
Office of Communications					
	Salaries & Benefits	381,726	553,780	93,598	(460,182)
	Services & Supplies	153,616	175,400	141,100	(34,300)
	Intra District Charges	227,068	279,104	53,160	(225,945)
Office of Communications (172) Total		**762,411**	**1,008,284**	**287,858**	**(720,426)**
Capital Total*		**767,717**	**1,337,849**	**370,613**	**(967,236)**
Division Total*		**14,258,130**	**15,805,277**	**16,985,599**	**1,180,322**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

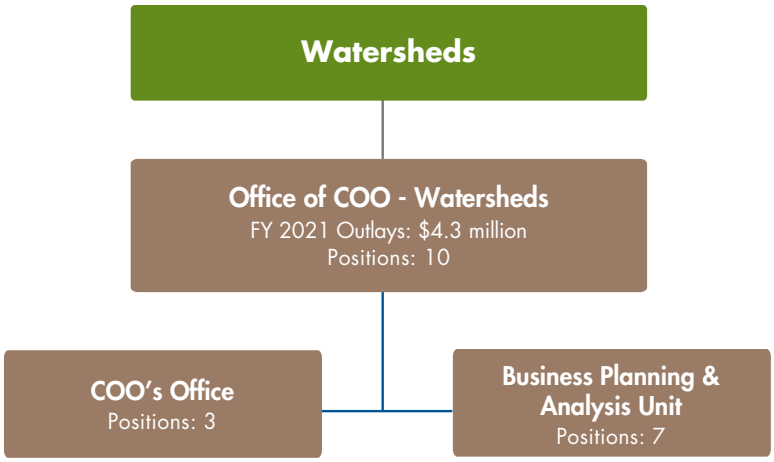
Watersheds

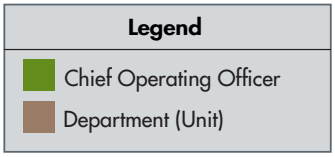


Description

Watersheds Operations (Watersheds) oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and field operations and mitigating environmental impacts, while enhancing positive environmental aspects.

Office of COO Watersheds





Division Description and Objectives

Watersheds oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and field operations, and mitigating environmental impacts, while enhancing positive environmental aspects. The Office of the Chief Operating Officer leads and manages Watersheds to achieve the Board's Ends, Goals, and Objectives. This includes providing Watersheds the leadership, staff, and funding to conduct the administrative aspects of Watersheds functions. In general, this provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting Valley Water-wide and special events/efforts that benefit the whole organization.

Business Planning and Analysis

This department manages, plans, and oversees the Capital Improvement Program and implementation of the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program).

In addition to managing the Capital Improvement Program and the Safe, Clean Water Program, the department is also responsible for continuing the development and implementation of two new programs:

The Valley Water Lands Management Program fills an existing gap in the way the Valley Water manages its

maintenance obligations on Valley Water-owned lands, easements, and those made through contractual commitments. Currently, there is no single repository for all of Valley Water's land rights and required maintenance. Developing this program will require research of land rights and maintenance obligations; Valley Water-wide coordination to identify required maintenance; working with environmental services staff to develop a strategic approach to securing environmental clearances; and coordinating with the Watersheds Field Operations and Vegetation Field Operations Units to ensure the work is included in their 5-year Operations and Maintenance plans and scheduled for completion as required.

The Operations and Maintenance Program (OMP) will be developed in coordination with the Watersheds Field Operations and Vegetation Field Operations departments and modeled after the Capital Improvement Program's 5-year plan. Developing rolling 5-year plans for O&M is critical to the long-term financial planning for Valley Water, specifically for the Watershed and Stream Stewardship Fund resources.

FY 2020 Accomplishments

- The Capital Improvement Program (CIP) was transferred into the Watersheds Business Planning & Analysis Unit.
- All Safe, Clean Water Program FY 2020 Milestones were accomplished.
- Staff held a Watersheds Workshop for the Board which reviewed the 5-Year O&M Plan, Safe, Clean Water Program Funding Scenarios for flood protection projects, and the Preliminary FY 2021-2025 CIP for the Watershed and Stream Stewardship Fund and the Safe, Clean Water Fund.

FY 2021 Milestones

- Develop the FY 2022-2026 CIP to project Valley Water's capital funding requirements for planned capital projects for the next 5-year cycle.
- Implement the Safe, Clean Water Program Annual Cycle, which includes developing the Program's Year 7 Annual Report, providing support for IMC review and report development, developing the staff response to IMC review report, administering the Change Control Process, and reviewing Program Priorities and funding to ensure all Priorities have sufficient funding to be accomplished under the Program.
- Continue implementation of the Lands Management Program and update Valley Water GIS database with Lands Management Program data.
- Develop the FY 2022-2026 Watersheds O&M Plan in time for the long-term forecast and budget processes. This will require close coordination with Watersheds Field Operations and Vegetation Field Operations Units and Financial Division.

Budget Issues and Constraints

- The Safe, Clean Water Program funding is limited and to ensure compliance with the Change Control Process requires close monitoring to verify that no project exceeds its 15-year Program allocation without analyzing the impacts to other projects' deliverables.
- Staff resources are a primary constraint, as both the CIP and Lands Management Program have unfunded staff needs.

Office of COO Watersheds — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	1,740,704	2,934,557	3,101,877	167,320	6%
Operating Project	0	0	0	0	0%
Capital	0	0	1,210,650	1,210,650	0%
Total *	**1,740,704**	**2,934,557**	**4,312,527**	**1,377,970**	**47%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Office of COO Watersheds	1,468,710	1,565,999	1,653,528	87,530	6%
Business Planning and Analysis	271,993	1,368,558	2,658,999	1,290,440	94%
Total *	**1,740,704**	**2,934,557**	**4,312,527**	**1,377,970**	**47%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of COO Watersheds - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**4**	**7**	**10**	**3**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

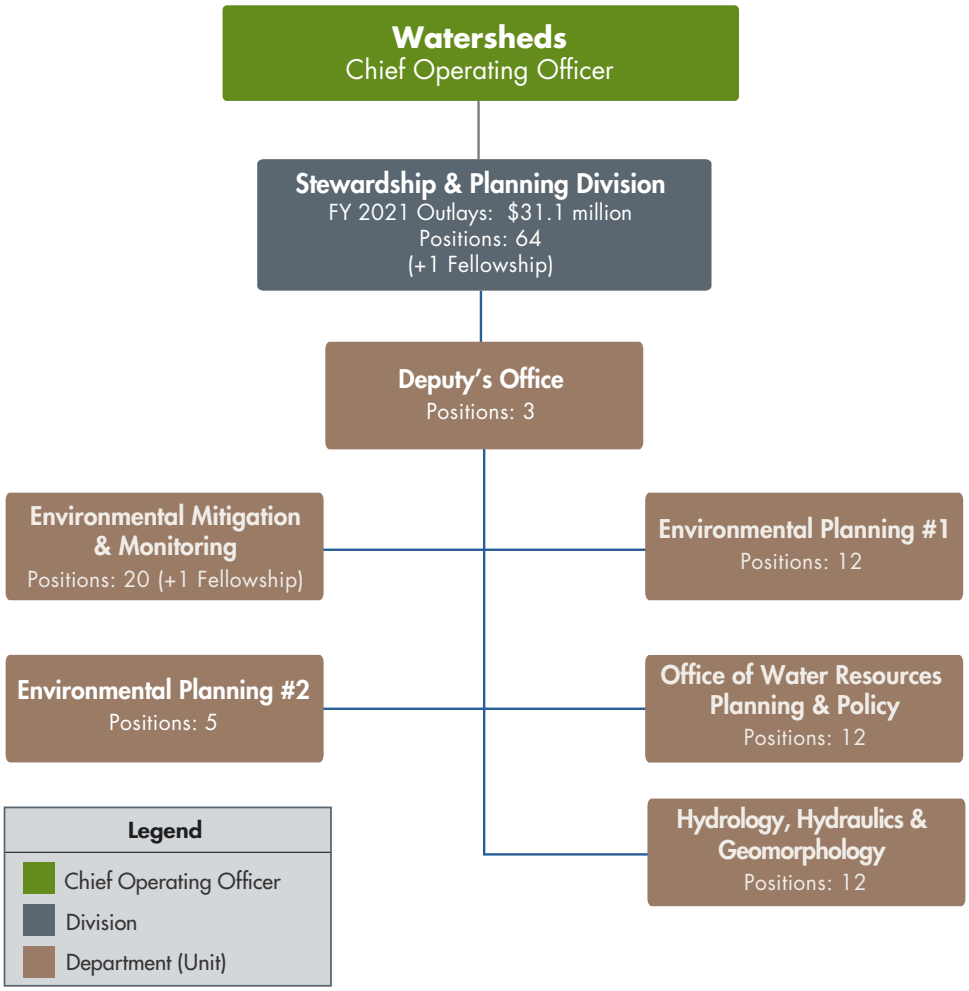
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Business Planning and Analysis					
	Salaries & Benefits	163,292	858,674	790,027	(68,647)
	Services & Supplies	11,382	34,500	207,900	173,400
	Intra District Charges	97,319	475,384	450,422	(24,962)
Business Planning and Analysis (214) Total		**271,993**	**1,368,558**	**1,448,349**	**79,791**
Office of COO Watersheds					
	Salaries & Benefits	860,066	825,475	852,322	26,847
	Services & Supplies	119,305	304,125	334,985	30,860
	Intra District Charges	489,339	436,399	466,221	29,822
Office of COO Watersheds (215) Total		**1,468,710**	**1,565,999**	**1,653,528**	**87,530**
Operations Total*		**1,740,704**	**2,934,557**	**3,101,877**	**167,320**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Business Planning and Analysis					
	Salaries & Benefits	0	0	726,868	726,868
	Services & Supplies	0	0	67,700	67,700
	Intra District Charges	0	0	416,082	416,082
Business Planning and Analysis (214) Total		**0**	**0**	**1,210,650**	**1,210,650**
Capital Total*		**0**	**0**	**1,210,650**	**1,210,650**
Division Total*		**1,740,704**	**2,934,557**	**4,312,527**	**1,377,970**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Stewardship & Planning Division



Division Description and Objectives

The Watershed Stewardship and Planning Division oversees four departments with approximately 65 staff members. The division is primarily an internal service provider to the organization and works in the areas of engineering planning (including the One Water masterplanning effort), hydraulic and hydrology services, biological services, and environmental services for capital projects (for both Water Utilities and Watersheds capital projects). This division also maintains the stream, rain, and reservoir gage network that provides the critical information for both Watersheds' flood forecasting and Water Utilities' reservoir operations. In addition, the division works closely with Water Utilities to provide environmental services on a special initiative called FAHCE (Fish and Aquatic Habitat Collaborative Effort) to resolve a long-standing water right complaint and oversee Valley Water's watershed enhancement studies. It provides key decision-making support for the departments to accomplish

their goals, and communicates Board, District, and Executive goals and provides timely information.

Environmental Mitigation & Monitoring

The Environmental Mitigation and Monitoring department houses biological expertise in three technical areas: fisheries, avian/terrestrial, and plants. This department is responsible for: managing long-term mitigation monitoring programs for Valley Water; two ecology-oriented, Safe Clean Water Program stewardship projects (SCW D2 and D5); land management and easement monitoring for mitigation lands; oversight of the Plant Pathogen Program; providing biological subject matter expertise to support over 30 capital projects and long-range planning programs; and managing FAHCE. This department provides ecological and biological expertise supporting Valley Water activities, projects, and programs to effectively manage natural resources, stewardship, and compliance with environmental laws and regulations. The department specializes in special-status species, jurisdictional habitats, impact and habitat function assessments, avoidance and minimization measures, mitigation design and monitoring, environmental permitting, and stewardship.

Water Resources Planning & Policy

Primarily an engineering department, the Water Resources Policy and Planning department conducts all phases of project planning for Watersheds. The primary tool for long term planning is the integrated water resources master plan (One Water Plan), which attempts to develop an integrated watershed-based plan to enhance water resources management for Valley Water. Specific project planning and feasibility study work includes conducting detailed watersheds planning studies for flood protection and environmental stewardship (for example, the Ogier and Metcalf Creek/Lake Separation Projects, the Salt Ponds A5-11 study to realign Calabazas and San Thomas Aquino creeks into the restored Salt Ponds; the Upper Penitencia Creek Flood and Stewardship project; the Coyote Creek Flood Project; and the Guadalupe River Tasman to Highway 880 Project), reporting on policy developments related to Watersheds, developing the gravel augmentation and large woody debris fisheries study, working on the geomorphic restoration project (SCW D6), developing stream corridor priority plans (SCW D3), and coordinating the Valley Water partnership on the Salt Pond Restoration Project.

Environmental Planning #1

The Environmental Planning #1 department provides overall environmental planning and documentation, CEQA compliance, and permitting services for both Water Utility and Watersheds capital projects and programs to meet the requirements of federal, state, and local environmental laws and regulations—seeking to minimize environmental impacts of proposed projects and develop options for meaningful mitigation of unavoidable impacts. This department ensures that environmental regulations are appropriately applied and seeks ways to streamline permitting by representing Valley Water before federal and state regulators and supporting legislative initiatives.

Environmental Planning #2

The Environmental Planning #2 department was created in FY 2021 to complement the Environmental Planning #1 department, providing environmental review, documentation, and permitting services for Water Utility and Watersheds capital projects and programs. In addition to Environmental Planning functions, this new department also manages Safe, Clean Water Projects B1 and B2, provides surface water quality expertise, and manages the Climate Change Action Plan (CCAP) project.

Hydrology, Hydraulics & Geomorphology

The Hydrology, Hydraulics and Geomorphology department builds the foundation of Valley Water's flood protection work and it also provides the essential data for groundwater recharge and reservoir release analysis for environmental purposes. The department begins with the measurement of rainfall and stream flow gauge data, analysis of which provides the flood flow frequency that determines the flood protection projects' design basis. Routing the flood flow through the creeks then determines the creek size and height of levees and floodwalls; geomorphologic analysis provides the basis for channel modification that minimizes maintenance needs and sustains long-term stability. This department also develops the flood forecast and flood warning system to send warning messages to the community for potential flood risks. In addition, this department provides floodplain mapping services to support the community and cities with vital information on flood risks. The strong expertise of this department has enabled the Federal Emergency Management Agency (FEMA) to recognize Valley Water as a Cooperating Technical Partner (CTP) in the National Flood Insurance Program. CTPs are able to collaborate with FEMA to update flood hazard maps.

FY 2020 Accomplishments

- Completed metrics development and stakeholder outreach for Countywide One Water Framework report, developed initial draft Coyote Creek watershed plan, and began Guadalupe and Pajaro watershed plans to identify priority flood risk reduction and stream stewardship actions.
- Met all Safe Clean Water commitments: executed partnership agreements with CA Coastal Conservancy, City of San Jose, and Midpeninsula Regional Open Space District for invasive plant control and habitat restoration, continued to develop gravel and large woody debris (LWD) studies for 2nd Phase creeks.
- Completed reporting for 13 long-term mitigation monitoring programs and remained in compliance with all mitigation monitoring requirements.
- Completed mitigation monitoring and requested sign-off for the Lenihan Dam Outlet Modification Project.
- Completed environmental review of Lower Penitencia Creek Improvements, Cunningham Flood Detention Facility Certification, and Coyote Warehouse projects.
- Operated and maintained oxygenation treatment systems in four reservoirs and reduced methylmercury in the bottom of the reservoir by an average of 70% below historical summer concentrations.
- Completed Storm Water Resource Plans for the Santa Clara Basin and for South County; these plans prioritize green storm water infrastructure projects for future funding.
- Developed draft planning study reports for Coyote Creek, Upper Penitencia Creek, and Lower Guadalupe River projects.
- Developed a Landscape Vision Plan for realignment of Calabazas and San Tomas Aquino Creeks into Pond A8.
- Completed Coyote Creek hydrology and hydraulics update for the Coyote Watershed Master Plan and Mid-Coyote project.

FY 2021 Milestones

- Planning-to-Design report for Coyote Creek project by August 2020.
- Proceed with Habitat Enhancement studies for Ogier and Metcalf Ponds. Plan to enter MOA with County Parks in summer 2020.
- Final planning study report for the Upper Penitencia Creek project by August 2020. Planning-to-Design report by December 2020.
- Continue improving flood forecast system and expanding two more flood forecast points by June 2021.
- Complete Climate Change Action Plan by July 2020 and begin development of implementation program.
- Finalize One Water plan for the Guadalupe, Pajaro, Lower Peninsula, and West Valley watersheds by July 2021.
- Final Gravel Augmentation and LWD study for all steelhead creeks by July 2020. Installation at new location in summer of 2021.
- Complete Calera flood feasibility study and Berryessa post-project flood study by June 2021.
- Collaborate with the City of San Jose on trash mapping and removal for Coyote Creek and Guadalupe River by July 2021.

Budget Issues and Constraints

- Water right complaints and associated draft settlement agreement, regulatory permits, external party requests for reevaluations, external partner funding limitations, and federal funding limits.

Watershed Stewardship & Planning Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	19,153,448	19,577,233	17,708,919	(1,868,315)	-10%
Operating Project	3,676,501	4,427,170	3,477,955	(949,215)	-21%
Capital	6,209,521	4,905,960	9,926,798	5,020,838	102%
Total *	**29,039,470**	**28,910,363**	**31,113,671**	**2,203,309**	**8%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Water Resources Planning	3,749,498	3,265,346	0	(3,265,346)	-100%
Safe Clean Water Implementation	327,436	0	0	0	-100%
Water Resources Planning & Policy	4,211,195	3,715,858	6,981,635	3,265,778	88%
Hydrology, Hydraulics & Geomorphology	4,629,770	4,975,722	5,436,593	460,871	9%
Environmental Planning #1	5,436,301	6,735,916	4,013,119	(2,722,797)	-40%
Deputy's Office of Stewardship & Planning Division	1,725,120	1,213,474	1,322,285	108,810	9%
Environmental Planning #2	0	0	4,376,459	4,376,459	9%
Environmental Mitigation & Monitoring	8,960,150	9,004,047	8,983,579	(20,467)	0%
Total *	**29,039,470**	**28,910,363**	**31,113,671**	**2,203,309**	**8%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Watershed Stewardship & Planning Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	58	58	64	6

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of Stewardship & Planning Division					
	Salaries & Benefits	609,920	759,632	827,503	67,871
	Services & Supplies	373,332	31,970	30,000	(1,970)
	Capital Expenditures	755	0	0	0
	Intra District Charges	378,734	421,872	464,782	42,910
Deputy's Office of Stewardship & Planning Division (241) Total		**1,362,741**	**1,213,474**	**1,322,285**	**108,810**
Environmental Mitigation & Monitoring					
	Salaries & Benefits	2,391,735	2,853,406	3,010,182	156,776
	Services & Supplies	3,989,205	3,834,350	2,196,000	(1,638,350)
	Intra District Charges	1,507,090	1,567,548	1,691,398	123,851
Environmental Mitigation & Monitoring (244) Total		**7,888,031**	**8,255,304**	**6,897,580**	**(1,357,723)**
Water Resources Planning & Policy					
	Salaries & Benefits	910,383	937,115	1,153,346	216,231
	Services & Supplies	463,909	861,000	779,000	(82,000)
	Capital Expenditures	0	150,000	200,000	50,000
	Intra District Charges	567,409	529,253	670,369	141,116
Water Resources Planning & Policy (245) Total		**1,941,700**	**2,477,368**	**2,802,715**	**325,347**
Safe Clean Water Implementation					
	Services & Supplies	320,000	0	0	0
	Capital Expenditures	5,636	0	0	0
Safe Clean Water Implementation (246) Total		**325,636**	**0**	**0**	**0**
Environmental Planning #1					
	Salaries & Benefits	1,284,436	1,626,475	681,495	(944,980)
	Services & Supplies	2,240,627	2,708,774	21,480	(2,687,294)
	Capital Expenditures	15,205	25,000	0	(25,000)
	Intra District Charges	803,533	908,399	388,209	(520,190)
Environmental Planning #1 (247) Total		**4,343,801**	**5,268,648**	**1,091,184**	**(4,177,464)**
Environmental Planning #2					
	Salaries & Benefits	0	0	820,964	820,964
	Services & Supplies	0	0	2,713,300	2,713,300
	Capital Expenditures	0	0	25,000	25,000
	Intra District Charges	0	0	489,466	489,466
Environmental Planning #2 (248) Total		**0**	**0**	**4,048,731**	**4,048,731**
Hydrology, Hydraulics & Geomorphology					
	Salaries & Benefits	2,063,546	2,168,657	2,392,057	223,400
	Services & Supplies	1,035,451	1,003,186	1,194,908	191,722
	Capital Expenditures	90,130	28,765	35,700	6,935

Operations Budget by Department and Account Category (Continued)

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
	Intra District Charges	1,283,460	1,232,666	1,401,714	169,048
Hydrology, Hydraulics & Geomorphology (296) Total		**4,472,587**	**4,433,273**	**5,024,378**	**591,105**
Water Resources Planning					
	Salaries & Benefits	873,072	727,530	0	(727,530)
	Services & Supplies	1,085,480	1,206,500	0	(1,206,500)
	Intra District Charges	536,901	422,305	0	(422,305)
Water Resources Planning (412) Total		**2,495,452**	**2,356,335**	**0**	**(2,356,335)**
Operations Total*		**22,829,949**	**24,004,403**	**21,186,874**	**(2,817,530)**

Capital Budget by Department and Account Category

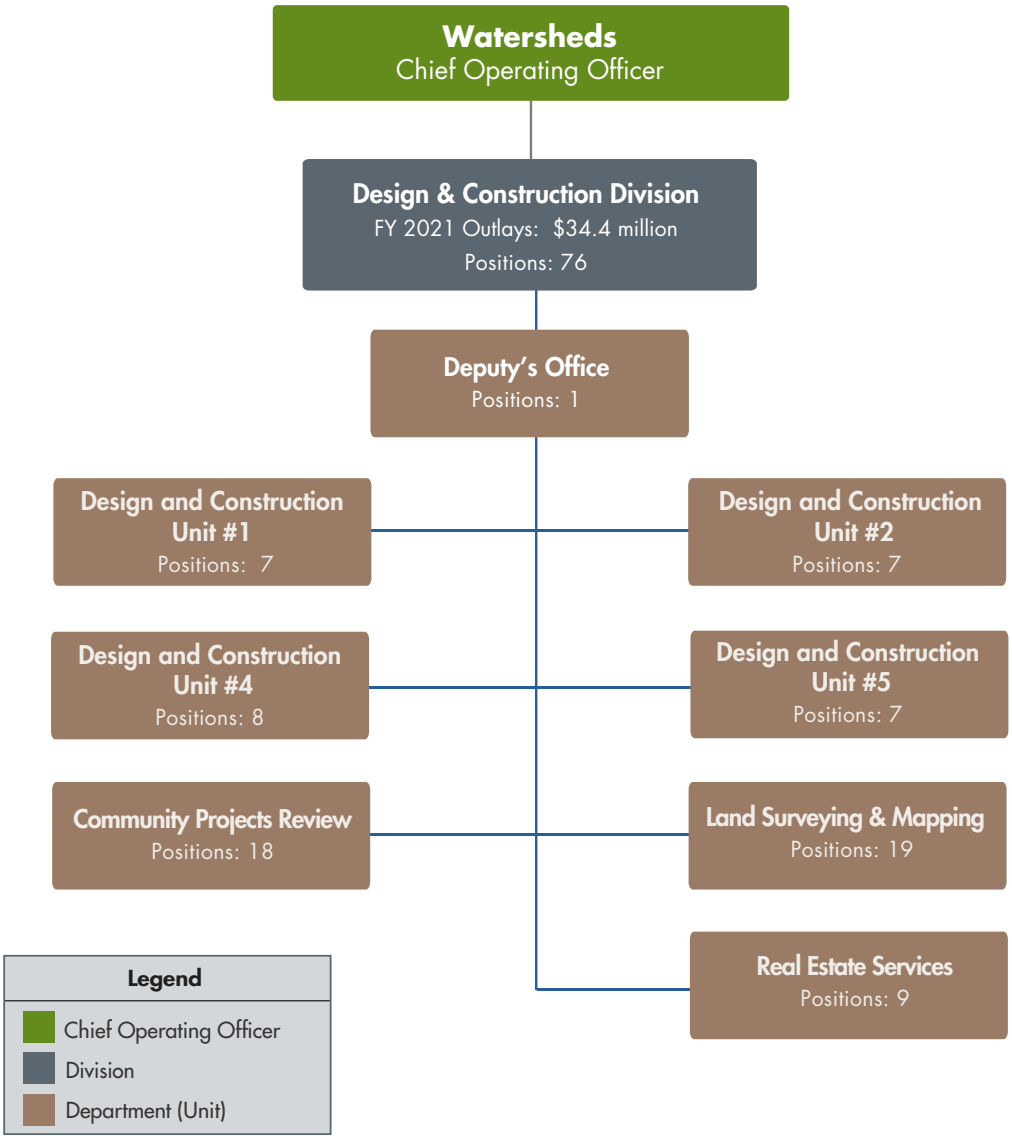
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of Stewardship & Planning Division					
	Salaries & Benefits	108,078	0	0	0
	Services & Supplies	190,926	0	0	0
	Intra District Charges	63,375	0	0	0
Deputy's Office of Stewardship & Planning Division (241) Total		**362,379**	**0**	**0**	**0**
Environmental Mitigation & Monitoring					
	Salaries & Benefits	650,809	564,406	1,338,088	773,682
	Services & Supplies	9,225	(131,537)	(18,351)	113,186
	Intra District Charges	412,085	315,874	766,262	450,388
Environmental Mitigation & Monitoring (244) Total		**1,072,119**	**748,743**	**2,085,999**	**1,337,256**
Water Resources Planning & Policy					
	Salaries & Benefits	938,871	792,480	1,540,021	747,541
	Services & Supplies	723,384	(3,302)	1,737,334	1,740,636
	Capital Expenditures	7,502	0	0	0
	Intra District Charges	599,738	449,312	901,566	452,254
Water Resources Planning & Policy (245) Total		**2,269,494**	**1,238,490**	**4,178,920**	**2,940,431**
Safe Clean Water Implementation					
	Capital Expenditures	1,800	0	0	0
Safe Clean Water Implementation (246) Total		**1,800**	**0**	**0**	**0**
Environmental Planning #1					
	Salaries & Benefits	654,543	940,854	1,827,426	886,572
	Services & Supplies	28,830	0	35,000	35,000
	Intra District Charges	409,128	526,414	1,059,509	533,095
Environmental Planning #1 (247) Total		**1,092,501**	**1,467,268**	**2,921,935**	**1,454,667**

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Environmental Planning #2					
	Salaries & Benefits	0	0	205,095	205,095
	Intra District Charges	0	0	122,634	122,634
Environmental Planning #2 (248) Total		**0**	**0**	**327,729**	**327,729**
Hydrology, Hydraulics & Geomorphology					
	Salaries & Benefits	95,353	266,889	182,894	(83,995)
	Services & Supplies	121	120,000	120,000	0
	Intra District Charges	61,710	155,560	109,321	(46,239)
Hydrology, Hydraulics & Geomorphology (296) Total		**157,183**	**542,449**	**412,215**	**(130,234)**
Water Resources Planning					
	Salaries & Benefits	761,036	571,443	0	(571,443)
	Services & Supplies	22,452	0	0	0
	Intra District Charges	470,557	337,567	0	(337,567)
Water Resources Planning (412) Total		**1,254,046**	**909,011**	**0**	**(909,011)**
Capital Total*		**6,209,521**	**4,905,960**	**9,926,798**	**5,020,838**
Division Total*		**29,039,470**	**28,910,363**	**31,113,671**	**2,203,309**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Design & Construction Division



Division Description and Objectives

The Watersheds Design and Construction Division plans, designs, and constructs capital projects related to Watersheds operations. This includes delivery of projects in Valley Water's rolling 5-year Capital Improvement Program and 15-year Safe, Clean Water and Natural Flood Protection Program. The objectives of the Watersheds Design and Construction Division are to provide natural flood protection for residents, businesses, and visitors; and to protect and restore creek, bay, and other aquatic ecosystems.

Community Projects Review

The Community Projects Review department is responsible for protecting Valley Water Watersheds and Water Utility assets and interests from external activities and threats as defined by the Water Resources Protection Ordinance. The department accomplishes this through the review of approximately 800 projects and issuance of approximately 200 encroachment permits for activities on Valley Water rights of way, and ordinance enforcement for activities undertaken without appropriate permits. Department projects include implementation of the Underground Service Alert program that entails reviewing approximately 9,000 tickets per year, and review of proposed developments within the planning stages as they interface with the Valley Water mission and interests. The department also performs specialized maintenance and development of approximately 10,000 map pages showing Valley Water land rights and flooding, as well as the dissemination of information to the public.

Design & Construction Unit #1

The Design & Construction Unit #1 department is responsible for design and construction of the following projects: San Francisquito Creek Flood Protection Project, Permanente Creek Flood Protection Project, Hale Creek Channel Enhancement Pilot Project, Bolsa Fish Passage Improvement Project, Upper Penitencia Creek Flood Protection Project, and Coyote Creek Flood Protection Project.

Design & Construction Unit #2

The Design & Construction Unit #2 department is responsible for design and construction of the following projects: Lower Berryessa Creek Phase 2 (including Lower Calera Creek) Flood Protection Project, Cunningham Flood Detention Certification Project, Upper Guadalupe River Flood Protection Project – Reaches 7-12, Upper Guadalupe River Reach 6 Aquatic Habitat Project, Upper Berryessa Creek Flood Protection Project – Calaveras/Old Pied Cor, Guadalupe River Flood Protection Project – Tasman Drive to I-880.

Design & Construction Unit #4

The Design & Construction Unit #4 department is responsible for design and construction of the following projects: Lower Penitencia Creek Flood Protection Project, Almaden Lake Improvements Project, South San Francisco Bay Shoreline Phase 1 Flood Protection, and South San Francisco Bay Shoreline Phase 2 Flood Protection Feasibility Study.

Design & Construction Unit #5

The Design & Construction Unit #5 department is responsible for implementation of the Watersheds Asset Rehabilitation Program (WARP) projects plus Palo Alto Flood Basin Tide Gate Structure Replacement Project. The department also manages monitoring projects for Lower Berryessa, Stevens Creek, Uvas Creek rodent damage repair, El Camino Real erosion repair, Coyote Creek rodent damage repair downstream, Coyote Creek rodent damage repair upstream, and others. Under the WARP, we plan to complete design and start construction in FY 2021 for Calabazas Creek Bank Repair Project and Piedmont Creek U-frame Wall Repair, subject to obtaining permits from the regulatory agencies.

Land Surveying & Mapping

The Land Surveying and Mapping department is responsible for professional land surveying and mapping services in support of planning, design, construction, and maintenance of Valley Water facilities. This is accomplished by accurately locating existing and proposed Valley Water facilities, providing graphical representations of land features, boundaries, and fixed works, and complying with applicable state and local laws and ordinances. This department has also recently taken on Valley Water's CADD responsibilities, which include the production of engineering drafting and design work, field investigations, and management of CADD related software in support of Valley Water's water resources facilities, flood control and pipeline infrastructure, and watershed management.

Real Estate Services

The Real Estate Services department is responsible for real estate services which includes buying and selling property, leasing and licensing of non-residential and residential properties, as well as negotiation, appraisal, title, and relocation services. The department also provides real estate administrative support, which includes real estate database input, maintenance, and reporting.

FY 2020 Accomplishments

- Initiated draft High-Speed Rail Reimbursement Agreement.
- Received San Francisquito Creek Joint Powers Authority (SFCJPA) board certification of Final EIR for San Francisquito Creek Flood Protection Project Upstream of Highway 101 and began permit application process.
- Completed civil construction and plant installation for the Cunningham Flood Detention Facility Project.
- Completed 100% design for Lower Calera Creek Project.
- Completed 90% design of Upper Guadalupe River Aquatic Habitat Project.
- SF Shoreline Phase 1 – Reach 1 right-of-way fully acquired and stockpiling levee fill material in Pond A12 completed; 90% Reaches 2 & 3 levee design plans and specifications completed; 30% Reaches 4 & 5 levee design plans and specifications completed.
- SF Shoreline Phase 2 – United States Army Corps of Engineers (USACE), Valley Water, and State Coastal Conservancy signed Feasibility Cost Share Agreement for the next study phase; kickoff for the planning charette was held in October 2019; Alternatives Milestone Meeting held in February 2020.
- Completed construction of Permanente Creek McKelvey Park Flood Detention Basin.
- Completed construction of Uvas Creek Levee Rehabilitation Project.
- WARP program: 1) San Tomas Creek – 2.1 miles of bed repair, 2) Barron Creek channel repair at Bryant Street, City of Palo Alto, and 3) Uvas Creek levee Phase 2 inboard damage repair for one-mile long Miller to end of levee downstream.
- Performed photogrammetric and volumetric survey of Almaden and Guadalupe Reservoirs.
- Managed 84 non-residential leases and licenses County wide.

FY 2021 Milestones

- Complete High-Speed Rail Reimbursement Agreement.

- Move forward on remediating encroachments and implementing new licensing option, while continuing to host the collaborative forum of the Encroachment Remediation Task Force to establish coordinated communication with our neighbors on project areas containing encroachments.
- Complete Permanente Creek Rancho San Antonio Park Flood Detention Basin construction.
- Advertise the San Francisquito Creek Flood Protection Project between Highway 101 and Middlefield Road, and the Hale Creek Pilot Project.
- Award construction contract for Lower Calera Creek section of Lower Berryessa Creek Phase 2.
- Begin design of the Guadalupe River – Tasman Drive to I-880 project.
- Obtain a design/construction agreement for the railroad bridge extension project for Upper Guadalupe Flood Control Project (Reaches 7 & 8).
- Begin construction for SF Shoreline Phase 1, Lower Penitencia Creek Flood Protection, Lower Calera Creek Flood Protection, Piedmont Creek Wall Repair and Rehabilitation, and Calabazas Creek Bank Rehabilitation.
- Complete rental rate adjustments and renewals as required per terms of lease/license agreements each fiscal year.

Budget Issues and Constraints

- Constraints include the availability of outside funding sources and timely receipt of permits from environmental regulatory agencies.

Watershed Design & Construction Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	8,738,437	9,507,341	10,226,897	719,556	8%
Operating Project	392,025	188,089	158,098	(29,991)	-16%
Capital	48,521,900	35,756,423	24,054,531	(11,701,892)	-33%
Total *	**57,652,362**	**45,451,853**	**34,439,526**	**(11,012,326)**	**-24%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Design & Construction Unit 1	12,523,507	5,695,400	(1,806,999)	(7,502,399)	-132%
Design & Construction Unit 5	15,860,627	11,217,531	2,206,086	(9,011,445)	-80%
Design & Construction Unit 2	4,788,610	(958,637)	(1,015,738)	(57,101)	6%
CADD Services	1,874,924	2,046,959	0	(2,046,959)	-100%
Community Projects Review	5,201,835	5,572,103	5,937,055	364,952	7%
Deputy's Office of Watershed Design & Const Division	1,604,012	1,539,152	620,233	(918,919)	-60%
Design & Construction Unit 4	8,814,591	13,487,565	18,539,641	5,052,076	37%
Land Surveying and Mapping	4,153,809	4,113,989	6,576,999	2,463,010	60%
Real Estate Services	2,830,448	2,737,791	3,382,250	644,459	24%
Total *	**57,652,362**	**45,451,853**	**34,439,526**	**(11,012,326)**	**-24%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Watershed Design & Construction Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	78	78	76	(2)

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Community Projects Review					
	Salaries & Benefits	3,145,541	3,462,948	3,638,041	175,093
	Services & Supplies	64,229	117,660	153,260	35,600
	Capital Expenditures	58,826	35,000	20,000	(15,000)
	Intra District Charges	1,902,172	1,873,898	2,009,471	135,574
Community Projects Review (294) Total		**5,170,768**	**5,489,506**	**5,820,773**	**331,267**
Deputy's Office of Watershed Design & Const Division					
	Salaries & Benefits	157,146	0	0	0
	Services & Supplies	10,533	0	0	0
	Intra District Charges	89,816	0	0	0
Deputy's Office of Watershed Design & Const Division (316) Total		**257,494**	**0**	**0**	**0**
Design & Construction Unit 1					
	Salaries & Benefits	24,582	19,480	7,281	(12,198)
	Services & Supplies	1,050	0	0	0
	Intra District Charges	9,836	6,257	430	(5,827)
Design & Construction Unit 1 (331) Total		**35,468**	**25,736**	**7,711**	**(18,025)**
Design & Construction Unit 2					
	Salaries & Benefits	6,397	1,272	66,615	65,342
	Services & Supplies	900	0	0	0
	Intra District Charges	2,887	170	36,990	36,820
Design & Construction Unit 2 (332) Total		**10,184**	**1,442**	**103,604**	**102,162**
Design & Construction Unit 4					
	Salaries & Benefits	62,642	26,059	14,843	(11,215)
	Services & Supplies	2,617	0	0	0
	Intra District Charges	18,198	10,643	4,370	(6,273)
Design & Construction Unit 4 (334) Total		**83,457**	**36,702**	**19,213**	**(17,489)**
Design & Construction Unit 5					
	Salaries & Benefits	158,204	6,726	1,770	(4,956)
	Services & Supplies	79,435	0	0	0
	Capital Expenditures	2,877	0	0	0
	Intra District Charges	93,911	901	280	(621)
Design & Construction Unit 5 (336) Total		**334,427**	**7,627**	**2,050**	**(5,577)**
CADD Services					
	Salaries & Benefits	226,887	153,867	0	(153,867)
	Services & Supplies	57,433	66,200	0	(66,200)

Operations Budget by Department and Account Category (Continued)

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
	Intra District Charges	100,304	53,995	0	(53,995)
CADD Services (366) Total		**384,624**	**274,061**	**0**	**(274,061)**
Land Surveying and Mapping					
	Salaries & Benefits	996,185	1,417,651	1,229,967	(187,684)
	Services & Supplies	151,238	63,500	231,200	167,700
	Intra District Charges	652,738	846,895	704,279	(142,616)
Land Surveying and Mapping (367) Total		**1,800,161**	**2,328,045**	**2,165,446**	**(162,600)**
Real Estate Services					
	Salaries & Benefits	648,920	953,490	1,069,632	116,142
	Services & Supplies	20,273	40,400	589,189	548,789
	Capital Expenditures	505	15,000	15,000	0
	Intra District Charges	384,179	523,420	592,377	68,957
Real Estate Services (369) Total		**1,053,878**	**1,532,309**	**2,266,198**	**733,889**
Operations Total*		**9,130,461**	**9,695,429**	**10,384,995**	**689,566**

Capital Budget by Department and Account Category

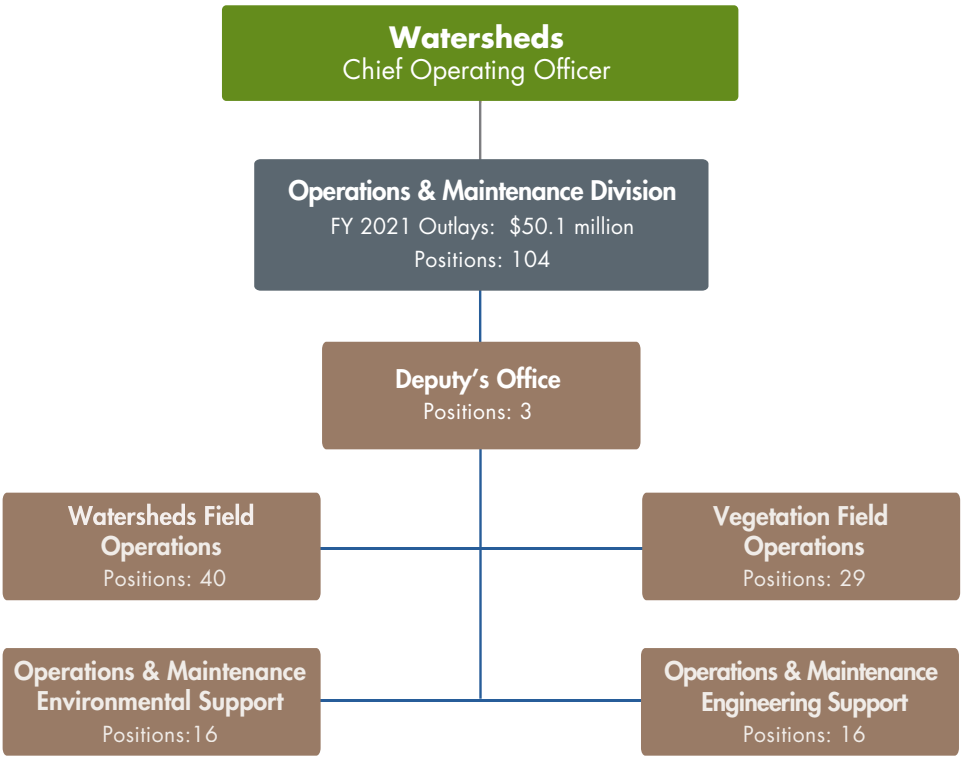
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Community Projects Review					
	Salaries & Benefits	19,295	55,899	78,903	23,005
	Services & Supplies	212	0	0	0
	Intra District Charges	11,560	26,698	37,379	10,681
Community Projects Review (294) Total		**31,067**	**82,597**	**116,282**	**33,685**
Deputy's Office of Watershed Design & Const Division					
	Salaries & Benefits	630,806	341,192	392,529	51,337
	Services & Supplies	212,527	1,005,650	4,050	(1,001,600)
	Intra District Charges	436,852	192,310	223,653	31,344
	Capital Expenditures	66,332	0	0	0
Deputy's Office of Watershed Design & Const Division (316) Total		**1,346,517**	**1,539,152**	**620,233**	**(918,919)**
Design & Construction Unit 1					
	Salaries & Benefits	1,321,271	1,393,870	1,455,286	61,417
	Services & Supplies	4,411,256	(6,224,565)	(12,438,474)	(6,213,909)
	Intra District Charges	834,882	782,359	848,477	66,118
	Capital Expenditures	5,920,629	9,718,000	8,320,000	(1,398,000)
Design & Construction Unit 1 (331) Total		**12,488,039**	**5,669,664**	**(1,814,710)**	**(7,484,374)**
Design & Construction Unit 2					

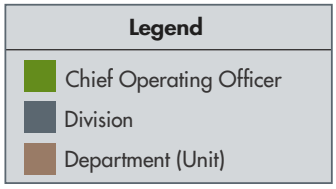
Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
	Salaries & Benefits	1,416,252	1,465,276	1,488,137	22,860
	Services & Supplies	1,077,906	(5,576,797)	(5,478,166)	98,631
	Intra District Charges	866,030	805,942	830,687	24,745
	Capital Expenditures	1,418,238	2,345,500	2,040,000	(305,500)
Design & Construction Unit 2 (332) Total		**4,778,426**	**(960,079)**	**(1,119,342)**	**(159,263)**
Design & Construction Unit 4					
	Salaries & Benefits	1,293,959	1,547,723	1,621,402	73,678
	Services & Supplies	6,524,013	3,022,385	(141,491)	(3,163,876)
	Intra District Charges	850,500	865,755	939,517	73,762
	Capital Expenditures	62,662	8,015,000	16,101,000	8,086,000
Design & Construction Unit 4 (334) Total		**8,731,134**	**13,450,863**	**18,520,428**	**5,069,564**
Design & Construction Unit 5					
	Salaries & Benefits	1,324,690	1,529,221	1,588,548	59,326
	Services & Supplies	469,790	(2,064,613)	(19,770,249)	(17,705,636)
	Intra District Charges	832,736	845,296	885,738	40,442
	Capital Expenditures	12,898,984	10,900,000	19,500,000	8,600,000
Design & Construction Unit 5 (336) Total		**15,526,200**	**11,209,904**	**2,204,036**	**(9,005,868)**
CADD Services					
	Salaries & Benefits	941,590	1,167,286	0	(1,167,286)
	Services & Supplies	58	5,700	0	(5,700)
	Intra District Charges	548,652	599,911	0	(599,911)
CADD Services (366) Total		**1,490,300**	**1,772,898**	**0**	**(1,772,898)**
Land Surveying and Mapping					
	Salaries & Benefits	1,264,694	871,622	2,167,642	1,296,020
	Services & Supplies	246,843	392,300	943,710	551,410
	Intra District Charges	842,111	522,021	1,300,201	778,180
Land Surveying and Mapping (367) Total		**2,353,647**	**1,785,943**	**4,411,553**	**2,625,610**
Real Estate Services					
	Salaries & Benefits	1,039,031	755,836	699,072	(56,764)
	Services & Supplies	26,274	27,425	23,950	(3,475)
	Intra District Charges	619,035	417,720	391,530	(26,191)
	Capital Expenditures	92,230	4,500	1,500	(3,000)
Real Estate Services (369) Total		**1,776,570**	**1,205,482**	**1,116,052**	**(89,430)**
Capital Total*		**48,521,900**	**35,756,423**	**24,054,531**	**(11,701,892)**
Division Total*		**57,652,362**	**45,451,853**	**34,439,526**	**(11,012,326)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Operations & Maintenance Division





Division Description and Objectives

The Watersheds Operations and Maintenance Division is comprised of four departments that provide field maintenance, engineering support, vegetation management, and management of the Stream Maintenance Program (SMP) in the Guadalupe, Lower Peninsula, West Valley, Coyote and Uvas/Llagas watersheds. The office of Watersheds Operations and Maintenance provides administrative leadership and support for the four units that comprise the division. The division objective is to assure that maintenance work is performed in accordance with regulatory permits and maintenance guidelines and is coordinated and consistent throughout the division.

Watershed Field Operations

The Watersheds Field Operations department is responsible for coordination and management of field construction and maintenance activities within the watersheds, budget development, coordination of emergency response services and monitoring of safety procedures. The department ensures that work is performed efficiently, effectively, with minimal environmental impact and with the highest regard for the safety of the public and staff.

Vegetation Field Operations

The Vegetation Field Operations department is responsible for the budget development, coordination, and management of integrated vegetation management programs; riparian planting and invasive plant management mitigation projects; the Hazard Tree Program; and the Sandbag Program in the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas Watersheds including capital projects and water utility sites.

Operations & Maintenance Environmental Support

The Operations and Maintenance Environmental Support department provides environmental and logistics support to Valley Water operations and maintenance (O&M) activities in both Watersheds and Water Utility Enterprise. The department supports the Stream Maintenance Program, Hazard Tree Program, Dam Maintenance Program and Pipeline Maintenance Program, as well as numerous other O&M activities that occur outside these major programs. Environmental support includes preparation of California Environmental Quality Act (CEQA) analysis, permitting, and mitigation monitoring and reporting. Logistics support includes implementation of the Equipment Material and Labor program, as well as delivery of Valley Water-wide services such as sediment and water quality sampling/testing, rodent control, archeological consulting, and landfill disposal.

Operations & Maintenance Engineering Support

The Watersheds Operations and Maintenance Engineering Support department is responsible for conducting creek and levee inspections, preparing work orders, and providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which Valley Water has responsibility. This work supports the flood protection and watershed stewardship components of Valley Water's mission.

FY 2020 Accomplishments

Watersheds Field Operations

- 11 sediment removal projects (53,253 cubic yards)
- 9 minor maintenance sediment removal jobs (774 cubic yards)
- 1,324 linear feet of erosion repaired
- 1 instream complexity project (550 linear feet)
- 435 cubic yards of Good Neighbor Maintenance
- 406 cubic yards of debris removal
- Cleaned up 293 encampment sites

Vegetation Field Operations

- 334 acres of mitigation site maintenance
- 2,864 acres of upland access maintenance: weed abatement, access pruning, upland herbicide
- 1,096 acres of instream vegetation removal for flow conveyance: hand removal and aquatic herbicide
- 120 acres of invasive plant management
- 21 6 - 12" DBH (diameter at breast height) trees removed
- 23 hazard trees removed
- 100,423 sandbags made

Operations & Maintenance Environmental Support

- Approximately 480 Biological Service requests for the division.
- Submitted the Notice of Proposed Work (NPW).
- Completed the Annual Summary Report.
- Completed Stream Maintenance Program (SMP) Manual Update.

Operations and Maintenance Engineering Support

- Engineering support and construction oversight for the SMP.
- Responded to Creekside customers and others via Access Valley Water within five days or less.
- Inspected Creeks and Levees for which Valley Water has ownership or maintenance responsibility.

FY 2021 Milestones

Watersheds Field Operations

- Complete annual SMP projects by Oct. 15.
- Complete routine Watershed and Water Utility work orders as requested.

Vegetation Field Operations

- Provide a portion of vegetation management for 6,120 acres along levee and maintenance roads through 2028.
- Complete a minimum of 2,900 acres of upland and in-stream vegetation management in all watersheds annually.
- Management of at least 300 acres of existing revegetation projects in all watersheds annually.
- 100% of pesticide products used in lowest toxicity category.
- 40,000 filled sandbags stocked by Nov. 30 annually.

Operations & Maintenance Environmental Support

- Submit required regulatory reports in a timely manner, conduct internal training, participate in multi-agency meetings, and administer and renew the multi-agency permits.
- Development and update of contracts specifications and terms and conditions to ensure contracts for subsequent fiscal year are in place on time for Watersheds Field Operation's needs.
- Receive regulatory permits for remaining 5 years of SMP.

- Complete CEQA & obtain permits for hazardous tree removals.
- Submit application for Incidental Take Permit.
- Begin environmental assessment for SMP-3.

Operations and Maintenance Engineering Support

- U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, and Uvas Creek: (a) Conduct semi-annual inspections by November 1 and May 30; (b) Prepare and submit annual inspection reports to USACE by August 1.
- For Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspections; (b) Prepare and submit annual inspection reports to NRCS.
- Conduct inspections of creeks and levees (ongoing).
- Research and respond to customer requests via Access Valley Water communications system (ongoing).
- Prepare work orders for corrective and preventive stream maintenance activities (ongoing).
- Engineering support for Stream Maintenance Program (SMP) projects: (a) prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15; (b) provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15 and October 15); (c) prepare necessary information to ensure SMP Annual Summary Report occurs by January 31.
- Update/develop fifteen stream maintenance guidelines by June 30.

Budget Issues and Constraints

- Limited funding for Encampment Cleanups.
- The extent of maintenance work completed annually is constrained by staff resources, funding, and regulatory permit requirements.

Watershed Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	37,431,461	42,298,009	46,878,422	4,580,412	11%
Operating Project	2,202,515	1,680,883	1,816,003	135,120	8%
Capital	467,011	1,411,398	1,373,229	(38,168)	-3%
Total *	**40,100,988**	**45,390,290**	**50,067,654**	**4,677,364**	**10%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Vegetation Field Operations	12,742,453	13,056,265	14,024,320	968,055	7%
Watersheds Field Operations	15,580,048	18,189,169	20,775,792	2,586,623	14%
Operations & Maintenance Engineering Support	6,311,038	5,868,624	5,698,449	(170,175)	-3%
Deputy's Office of Watershed O&M Division	961,484	971,581	1,102,252	130,671	13%
Operations & Maintenance Environmental Support	4,505,964	7,304,650	8,466,840	1,162,190	16%
Total *	**40,100,988**	**45,390,290**	**50,067,654**	**4,677,364**	**10%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Watershed Operations & Maintenance Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**99**	**104**	**104**	**0**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

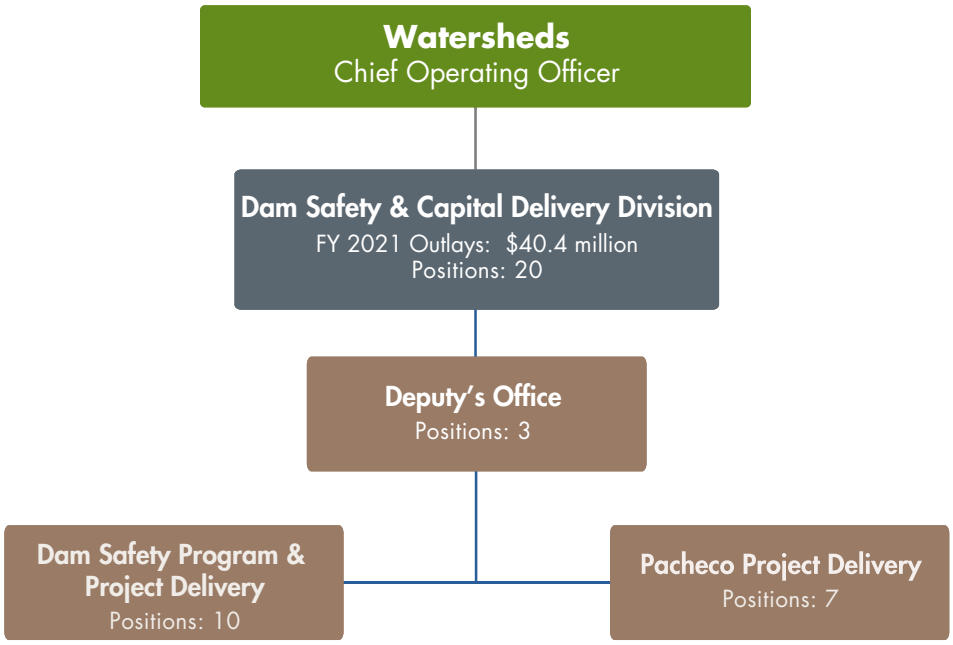
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of Watershed O&M Division					
	Salaries & Benefits	602,776	635,471	713,493	78,022
	Services & Supplies	1,785	1,000	1,000	0
	Capital Expenditures	500	0	0	0
	Intra District Charges	356,423	335,110	387,759	52,649
Deputy's Office of Watershed O&M Division (251) Total		**961,484**	**971,581**	**1,102,252**	**130,671**
Watersheds Field Operations					
	Salaries & Benefits	5,852,733	6,784,143	7,111,606	327,463
	Services & Supplies	4,734,900	5,693,497	7,269,753	1,576,256
	Intra District Charges	4,952,325	5,231,586	5,762,810	531,224
Watersheds Field Operations (253) Total		**15,539,958**	**17,709,226**	**20,144,168**	**2,434,943**
Vegetation Field Operations					
	Salaries & Benefits	4,664,081	4,850,277	5,152,183	301,906
	Services & Supplies	4,683,636	4,627,150	4,763,650	136,500
	Capital Expenditures	1,500	0	0	0
	Intra District Charges	3,335,438	3,256,208	3,742,431	486,223
Vegetation Field Operations (295) Total		**12,684,656**	**12,733,635**	**13,658,264**	**924,629**
Operations & Maintenance Environmental Support					
	Salaries & Benefits	2,206,426	3,041,325	3,428,632	387,307
	Services & Supplies	635,650	2,168,300	2,962,596	794,296
	Intra District Charges	1,325,619	1,673,918	1,886,863	212,945
Operations & Maintenance Environmental Support (297) Total		**4,167,695**	**6,883,543**	**8,278,091**	**1,394,548**
Operations & Maintenance Engineering Support					
	Salaries & Benefits	3,005,797	2,911,482	3,095,726	184,244
	Services & Supplies	1,433,564	1,168,000	639,000	(529,000)
	Intra District Charges	1,840,822	1,601,425	1,776,923	175,498
Operations & Maintenance Engineering Support (298) Total		**6,280,184**	**5,680,907**	**5,511,649**	**(169,258)**
Operations Total*		**39,633,976**	**43,978,892**	**48,694,425**	**4,715,532**

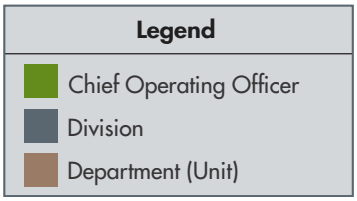
Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Watersheds Field Operations					
	Salaries & Benefits	20,846	186,497	297,987	111,490
	Intra District Charges	17,227	163,447	271,637	108,191
	Services & Supplies	2,017	130,000	62,000	(68,000)
Watersheds Field Operations (253) Total		**40,090**	**479,944**	**631,624**	**151,680**
Vegetation Field Operations					
	Salaries & Benefits	22,912	190,114	201,521	11,406
	Intra District Charges	18,898	127,516	144,536	17,020
	Services & Supplies	15,987	5,000	20,000	15,000
Vegetation Field Operations (295) Total		**57,797**	**322,630**	**366,057**	**43,426**
Operations & Maintenance Environmental Support					
	Salaries & Benefits	56,378	209,772	63,221	(146,551)
	Intra District Charges	33,273	117,336	35,528	(81,807)
	Services & Supplies	248,619	94,000	90,000	(4,000)
Operations & Maintenance Environmental Support (297) Total		**338,269**	**421,108**	**188,749**	**(232,358)**
Operations & Maintenance Engineering Support					
	Salaries & Benefits	19,098	120,621	118,028	(2,594)
	Intra District Charges	11,728	67,095	68,772	1,677
	Services & Supplies	28	0	0	0
Operations & Maintenance Engineering Support (298) Total		**30,854**	**187,716**	**186,800**	**(917)**
Capital Total*		**467,011**	**1,411,398**	**1,373,229**	**(38,168)**
Division Total*		**40,100,988**	**45,390,290**	**50,067,654**	**4,677,364**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Dam Safety and Capital Delivery Division





Division Description and Objectives

The Dam Safety and Capital Delivery Division is responsible for planning, implementation, and management of the portion of Valley Water's 5-year Capital Improvement Program (CIP) associated with dam construction and maintenance. This division consists of two departments—the Dam Safety Program and Project Delivery department and the Pacheco Project Delivery department. Although previously assigned to the Water Utility Enterprise, the division was moved under Watersheds in FY 2020. The integration of Valley Water's dam safety, flood protection and environmental stewardship areas under one umbrella will result in more seamless coordination between staff, and ultimately help expedite projects. Dams will continue to be Water Utility Enterprise (WUE) assets and all post-construction operations will remain the responsibility of the WUE business area.

Pacheco Project Delivery

The Pacheco Project Delivery department is responsible for implementation of the Pacheco Reservoir Expansion Project, including Capital efforts of planning, design, and environmental documentation and permitting. The Pacheco Reservoir Expansion Project will expand the existing Pacheco reservoir to provide up to 140,000 acre-feet of storage capacity. This expansion will provide emergency water supply, fisheries habitat improvement, operational flexibility for managing Valley Water's federal imported water supplies, and incidental flood risk reduction. Department staff coordinate with the California Water Commission (CWC), the U.S. Bureau of Reclamation, and other agencies regarding funding and partnering opportunities for the Project.

Dam Safety Program & Project Delivery

The Dam Safety Program and Project Delivery department manages maintenance, inspections, regulatory compliance, and safety of the twelve Valley Water dams. In addition, the department also delivers all capital projects related to the dams. The dam safety and dam maintenance activities are carried out through the department's Dam Safety Program and the Dams and Reservoirs Maintenance Program. Capital projects currently being managed by the department include Anderson Dam Seismic Retrofit Project, Calero Dam Seismic Retrofit Project, and the Guadalupe Dam Seismic Retrofit Project. Other dam-related projects currently managed by the department include Almaden Intake Project and the Dam Safety Evaluation – Phase 1 Project.

FY 2020 Accomplishments

- The Division was moved from the Water Utility Enterprise into Watersheds in order to better streamline project delivery and environmental permitting efforts
- Significant progress on geotechnical investigations, environmental investigations, and data gathering to support project planning efforts.
- Continued partnership and coordination with the U.S. Bureau of Reclamation on the San Luis Low Point Improvement Project effort, as an expanded Pacheco Reservoir has become the National Economic Development (NED) preferred project alternative.
- Established the framework for coordination with permitting agencies including United States Fish and Wildlife Service (USFWS), California Department of Fish and Wildlife (CDFW), National Marine Fisheries Service (NMFS), United States Army Corps of Engineers (USACE), and California Department of Water Resources (DWR)
- Continued development of the Anderson Dam Seismic Retrofit Project (ADSRP) Project Description, Dewatering Plan, and draft environmental document.
- Began formal consultation with USFWS, NMFS, USACE, CDFW, and California State Water Resources Control Board on required regulatory permits.
- Instituted additional pre-construction Interim Risk Reduction Measures, including expedited design of the Anderson Dam Tunnel Project (ADTP).
- Geotechnical investigations for the Calero and Guadalupe Dams Seismic Retrofit and Almaden Dam Improvement Projects were completed.
- 60% design plans completed for Anderson and Guadalupe Dams Seismic Retrofit Projects.

FY 2021 Milestones

- Anderson Dam Projects (Anderson Dam Seismic Retrofit Project and Anderson Dam Tunnel Project): complete the design and begin construction for the ADTP, release Draft Environmental Impact Reports for the ADSRP for public review, request Board certification of the Final EIR for the ADSRP, and complete the 90% design for the ADSRP.
- Pacheco Reservoir Expansion Project: complete Phase 1 geotechnical field investigations, develop an allocation plan with San Benito County Water District, negotiate and execute of administering agency agreements with CDFW and DWR, development of project alternatives, complete terrestrial and stream habitat mapping, and complete of Aesthetic, Transportation & Traffic, and Noise & Vibration investigations.
- Assist in completion of the feasibility evaluation for the San Luis Low Point Improvement Project.
- Complete 90% design for the Guadalupe Dam Seismic Retrofit Project.

Budget Issues and Constraints

- Progress on all projects can be greatly affected by external forces such as coordination with external agencies and regulatory bodies, securing permits, and negotiation of various agreements between Valley Water and other agencies or regulators. Projects are faced with compressed timelines. Staffing challenges, both within the Division and from other supporting Valley Water departments, may present obstacles to the achievement of Division objectives.

Dam Safety and Capital Delivery Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	1,653,383	2,359,425	2,750,059	390,634	17%
Operating Project	0	0	0	0	0%
Capital	32,966,783	45,445,202	37,645,122	(7,800,081)	-17%
Total *	**34,620,165**	**47,804,627**	**40,395,181**	**(7,409,446)**	**-15%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Office of Dam Safety & Capital Delivery Division	777,964	793,818	1,414,864	621,046	78%
Dam Safety Program and Project Delivery	17,600,605	7,045,405	13,009,308	5,963,903	85%
Pacheco Project Delivery	16,241,597	39,965,405	25,971,010	(13,994,395)	-35%
Total *	**34,620,165**	**47,804,627**	**40,395,181**	**(7,409,446)**	**-15%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Dam Safety and Capital Delivery Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**15**	**15**	**20**	**5**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

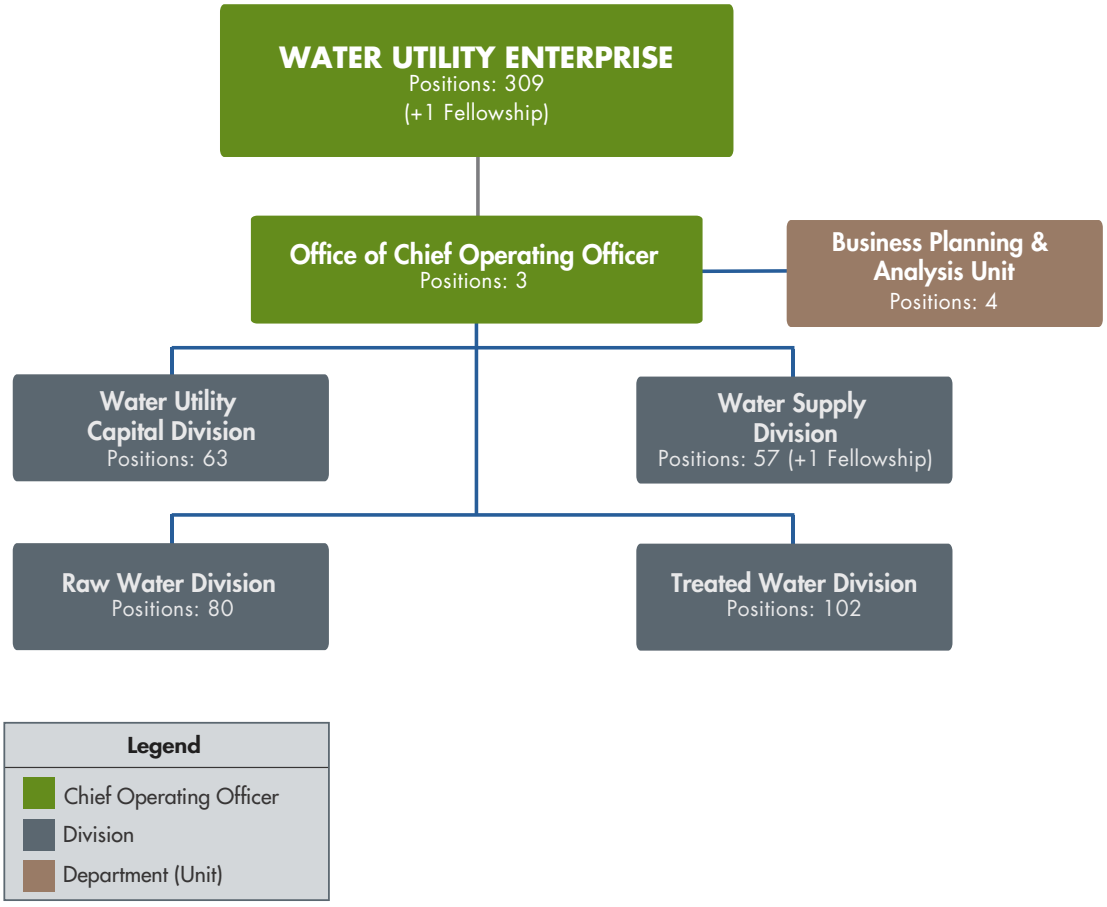
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of Dam Safety & Capital Delivery Division					
	Salaries & Benefits	26,012	0	9,838	9,838
	Services & Supplies	3,738	500	1,000	500
	Intra District Charges	13,688	0	5,682	5,682
Office of Dam Safety & Capital Delivery Division (313) Total		**43,438**	**500**	**16,521**	**16,021**
Pacheco Project Delivery					
	Salaries & Benefits	46,945	67,806	79,848	12,042
	Services & Supplies	1,275	2,500	153,600	151,100
	Intra District Charges	35,888	38,623	46,665	8,042
Pacheco Project Delivery (377) Total		**84,107**	**108,930**	**280,113**	**171,184**
Dam Safety Program and Project Delivery					
	Salaries & Benefits	377,038	633,360	669,239	35,879
	Services & Supplies	918,885	1,266,080	1,403,880	137,800
	Intra District Charges	229,914	348,390	380,306	31,916
	Capital Expenditures	0	2,165	0	(2,165)
Dam Safety Program and Project Delivery (595) Total		**1,525,838**	**2,249,995**	**2,453,425**	**203,430**
Operations Total*		**1,653,383**	**2,359,425**	**2,750,059**	**390,634**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of Dam Safety & Capital Delivery Division					
	Salaries & Benefits	445,784	507,611	874,599	366,987
	Services & Supplies	2,911	4,500	19,500	15,000
	Intra District Charges	285,830	281,206	504,244	223,038
Office of Dam Safety & Capital Delivery Division (313) Total		**734,526**	**793,318**	**1,398,343**	**605,026**
Pacheco Project Delivery					
	Salaries & Benefits	472,895	1,139,292	1,499,870	360,578
	Services & Supplies	15,310,994	38,070,725	23,314,366	(14,756,359)
	Intra District Charges	373,601	646,459	876,660	230,202
Pacheco Project Delivery (377) Total		**16,157,490**	**39,856,475**	**25,690,897**	**(14,165,579)**
Dam Safety Program and Project Delivery					
	Salaries & Benefits	1,153,583	1,219,496	1,645,218	425,722
	Services & Supplies	14,206,769	2,894,253	7,967,606	5,073,353
	Intra District Charges	712,415	681,660	943,059	261,398
	Capital Expenditures	2,000	0	0	0
Dam Safety Program and Project Delivery (595) Total		**16,074,767**	**4,795,409**	**10,555,882**	**5,760,473**
Capital Total*		**32,966,783**	**45,445,202**	**37,645,122**	**(7,800,081)**
Division Total*		**34,620,165**	**47,804,627**	**40,395,181**	**(7,409,446)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Utility

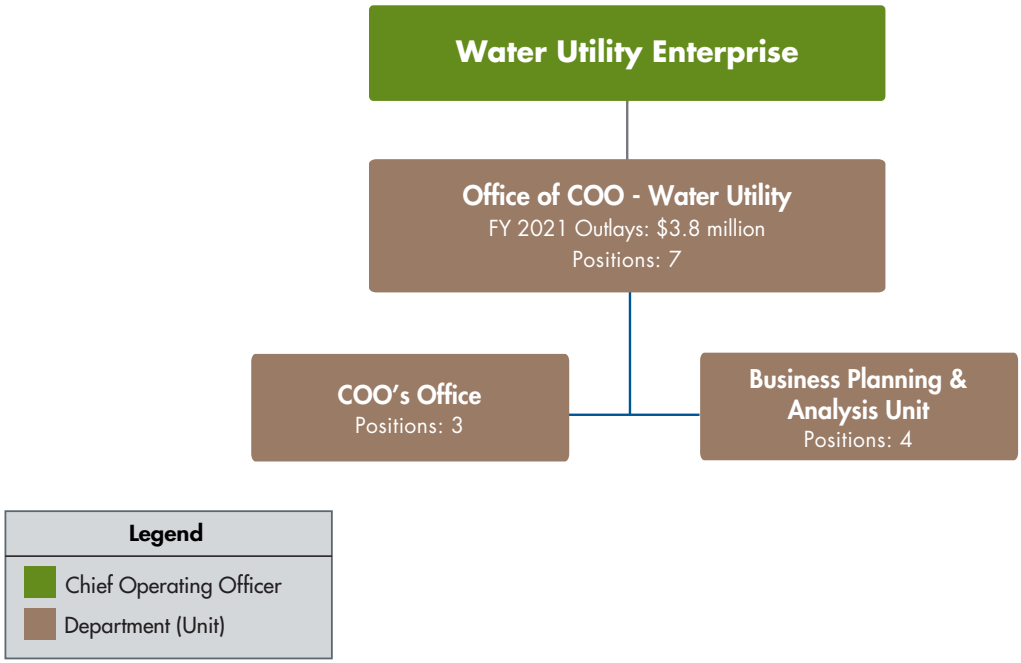


Description

The Water Utility Enterprise is primarily responsible for carrying out the core services related to Ends Policy 2 - There is a reliable, clean water supply for current and future generations.

Directed by Chief Operating Officer, Valley Water's Water Utility Enterprise (WUE) is comprised of four management divisions, each of which includes functional departments that carry out the work of the division and the enterprise.

Office of COO Water Utility



Division Description and Objectives

The Office of the Chief Operating Officer Water Utility oversees Water Utility Capital, Water Supply, Raw Water, and Treated Water divisions and the Business Planning and Analysis Unit. The Water Utility Enterprise (WUE) is primarily responsible for carrying out the core services related to Ends Policy 2 - There is a reliable, clean water supply for current and future generations. The Chief Operating Officer (COO) leads and manages the WUE to achieve the Board's Ends Goals and Objectives. This includes providing WUE the leadership, staff, and funding to conduct the administrative nature of the WUE functions. In general, the COO office provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

Office of COO Water Utility — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	2,110,881	2,803,293	3,616,614	813,322	29%
Operating Project	0	0	0	0	0%
Capital	461,426	972,917	140,239	(832,679)	-86%
Total *	**2,572,306**	**3,776,210**	**3,756,853**	**(19,357)**	**-1%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Office of COO Water Utility	2,572,306	3,776,210	2,000,985	(1,775,225)	-47%
Business Planning and Analysis	0	0	1,755,868	1,755,868	-47%
Total *	**2,572,306**	**3,776,210**	**3,756,853**	**(19,357)**	**-1%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of COO Water Utility - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	6	6	7	1

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

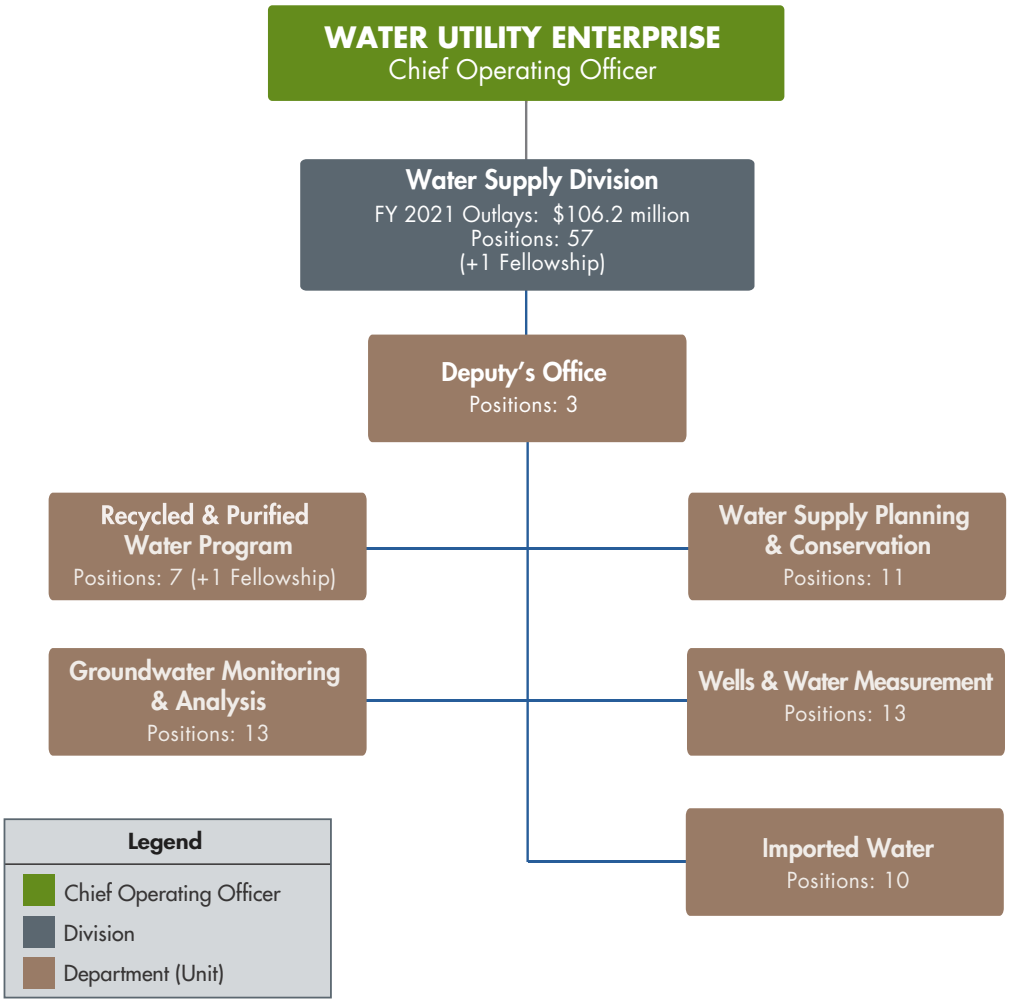
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of COO Water Utility					
	Salaries & Benefits	1,019,325	1,354,118	891,888	(462,230)
	Services & Supplies	514,957	732,000	627,280	(104,720)
	Capital Expenditures	47	0	0	0
	Intra District Charges	576,552	717,175	466,817	(250,358)
Office of COO Water Utility (402) Total		**2,110,881**	**2,803,293**	**1,985,985**	**(817,307)**
Business Planning and Analysis					
	Salaries & Benefits	0	0	629,436	629,436
	Services & Supplies	0	0	652,000	652,000
	Intra District Charges	0	0	349,193	349,193
Business Planning and Analysis (416) Total		**0**	**0**	**1,630,629**	**1,630,629**
Operations Total*		**2,110,881**	**2,803,293**	**3,616,614**	**813,322**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of COO Water Utility					
	Salaries & Benefits	284,776	137,074	0	(137,074)
	Services & Supplies	25,000	760,000	15,000	(745,000)
	Intra District Charges	151,650	75,843	0	(75,843)
Office of COO Water Utility (402) Total		**461,426**	**972,917**	**15,000**	**(957,917)**
Business Planning and Analysis					
	Salaries & Benefits	0	0	263,812	263,812
	Services & Supplies	0	0	(287,448)	(287,448)
	Intra District Charges	0	0	148,875	148,875
Business Planning and Analysis (416) Total		**0**	**0**	**125,239**	**125,239**
Capital Total*		**461,426**	**972,917**	**140,239**	**(832,679)**
Division Total*		**2,572,306**	**3,776,210**	**3,756,853**	**(19,357)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Supply Division



Division Description and Objectives

The Water Supply Division is responsible for identifying future water supply needs, managing the groundwater basins and imported water supplies, and implementing water conservation and recycled water programs. The objectives of the Water Supply Division are to 1) Sustain future drought proof, reliable water supply, 2) Expand and develop recycled and purified water projects, 3) Manage annual imported water supplies, 4) Minimize imported water costs, 5) Participate and complete various water supply reliability planning studies, 6) Implement programs and provide support needed to maximize water conservation/demand management to reach Valley Water's goal of saving nearly 100,000 acre-feet per year by 2030 and any short-term reduction called for by the Board, 7) Provide accurate and timely information on current and future groundwater supply conditions, 8) Comply with state sustainable groundwater management requirements, 9) Protect the quality and quantity of the county's groundwater resources by ensuring that wells are constructed, destroyed, modified and maintained per policy, 10) Provide

accurate and dependable water measuring devices for verifying water production for groundwater, surface water, treated water and recycled water accounts.

Recycled & Purified Water Program

In order to meet the Board Policy of 10% of total supplied water coming from Recycled Water, the Recycled and Purified Water Program supports expansion and development of recycled and purified water in Santa Clara County by collaborating, negotiating and executing long-term agreements with various partners, and assists with implementation of the first phase of the purified water projects. Other related elements include leading various planning and research studies pertinent to the Reverse Osmosis Concentrate Management Plan, the Countywide Recycled and Purified Water Master Plan, demonstration test plan for Water Reuse, Bottling and Taste Testing of Purified Water, and working on the development and shaping of pertinent regulations and legislation.

Imported Water Program

The Imported Water Department protects, manages and develops Valley Water's imported water assets, including the Central Valley Project, State Water Project, and other contract rights; meets current year operational needs for imported supplies; represents Valley Water in joint efforts to develop statewide and regional water supply projects; evaluates and makes recommendations regarding participation in water supply planning projects; develops water transfers, exchanges and banking agreements; and controls imported water costs.

Water Supply Planning & Conservation

The Water Supply Planning & Conservation Department supports Valley Water's mission by developing long-term water supply plans for ensuring there is a reliable water supply, by participating in various regional water supply planning efforts, and by designing, implementing, and evaluating demand management programs to meet Valley Water's short-term and long-term water supply reliability goals.

Groundwater Monitoring & Analysis

The Groundwater Management Unit supports the Valley Water mission to protect and augment local groundwater resources by providing sound information on current and projected groundwater supply conditions, implementing sustainable groundwater management programs, complying with state groundwater sustainability requirements, and working to influence proposed projects, policies, and regulations affecting groundwater resources.

Wells & Water Measurement

The Wells and Water Measurement Department is responsible for the implementation of two programs: The Well Ordinance Program and Water Measurement Program.

The Well Ordinance Program helps protect Valley Water's groundwater resource by providing staff, services, and supplies used for the implementation of the Valley Water's Well Ordinance (Ordinance 90-1). Implementation of the well ordinance includes well permitting, well inspection, well data management, and violation enforcement for all wells located in Santa Clara County.

The Water Measurement Program provides staff time, services, and supplies for the operation of Valley Water's meter test facility, for meter reading, for meter installation, for the test and overhaul of meters, and for the preventative and corrective maintenance of approximately 1,000 groundwater, treated water, and raw water

meters.

FY 2020 Accomplishments

- Effectively managed imported water supplies and sustainable groundwater conditions in FY20.
- Completed first phase of SWP contract amendment for Delta Conveyance and led Delta Conveyance technical team discussions.
- Substantially completed work on CVP contract amendment negotiations to add a point of delivery and started WIIN Act CVP Contract Conversion negotiations.
- Issued 450 well permits; completed 550 well inspections; issued 40 violation letters; completed 3,900 meter reads; completed 150 meter tests; completed 175 meter maintenance events; installed 5 new meters; completed 89 backflow prevention device tests; completed 15 backflow prevention device repairs.
- Negotiated and completed an agreement with the cities of Mountain View and Palo Alto for design and construction of the small and large purification facilities.
- Completed Reverse Osmosis Concentrate Management Project and finalized a preliminary design report for an advanced RO facility with Palo Alto to enhance the recycled water quality.
- Coordinated an agreement with City of Gilroy for $3 million in reimbursements to install 8,500 feet of recycled water pipelines.
- State approval of Groundwater Management Plan submitted for Sustainable Groundwater Management Act compliance.
- Completed the Water Supply Master Plan 2040.
- Continued support of the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) modeling and analysis efforts.

FY 2021 Milestones

- Complete Final Countywide Recycled & Purified Water Master Plan by Q2 2020.
- Continue to evaluate water quality from the Silicon Valley Advanced Water Purified Center - and potentially Palo Alto and Sunnyvale - for the implementation of Indirect Potable Reuse/Direct Potable Reuse and provide additional advanced oxidation process testing by Q4 2020.
- Identify potential sources of supplemental water by January 1, 2021 and provide timely support for the annual water supply planning process.
- Provide monthly updates to the Board and public on imported water management agreements through the Water Tracker.
- 95% of well permit applications (approximately 1,600 annually) processed within 10 working days and 100% of well construction/destruction activities (approximately 1,300 annually) inspected and well enforcement actions completed according to tracking deadlines.
- 100% of 26 treated water meters at active treated water turnouts, approximately 240 retailer and other large volume groundwater facilities, and approximately 750 metered semi-annual groundwater facilities are read based on current set schedule.
- Measure groundwater elevation in 200 wells for monthly Groundwater Condition Reports and submit groundwater elevation data to the California Dept. of Water Resources quarterly.

- Submit annual report to the California Dept. of Water Resources by April 1 for Sustainable Groundwater Management Act compliance.
- Provide rebates for the conversion of 500,000 square feet of turf by June 2020.
- Coordinate with water retailers and land use agencies on demand projections for the 2020 Urban Water Management Plan.

Budget Issues and Constraints

- Budget issues and constraints for the Division include: insufficient resources to achieve all proposed Division goals; complex and lengthy negotiations with external agencies that can cause unexpected delays; managing regulatory requirements while trying to meet compressed schedules; and, consistency with Valley Water's mission to protect and augment groundwater.

Water Supply Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	72,765,327	86,910,802	93,344,727	6,433,925	7%
Operating Project	143,133	0	0	0	0%
Capital	10,181,125	10,694,950	12,870,806	2,175,856	20%
Total *	**83,089,586**	**97,605,753**	**106,215,534**	**8,609,781**	**9%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Groundwater Monitoring & Analysis	4,033,275	4,492,384	4,954,456	462,073	10%
Deputy's Office of Water Supply Division	1,303,398	1,262,725	1,410,221	147,496	12%
Imported Water	62,846,208	72,670,808	79,059,851	6,389,043	9%
Water Supply Planning and Conservation	7,007,965	10,219,074	11,392,555	1,173,482	11%
Recycled & Purified Water Program	4,501,337	5,068,384	5,366,408	298,024	6%
Wells and Water Measurement	3,397,404	3,892,377	4,032,041	139,664	4%
Total *	**83,089,586**	**97,605,753**	**106,215,534**	**8,609,781**	**9%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Water Supply Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**56**	**56**	**57**	**1**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

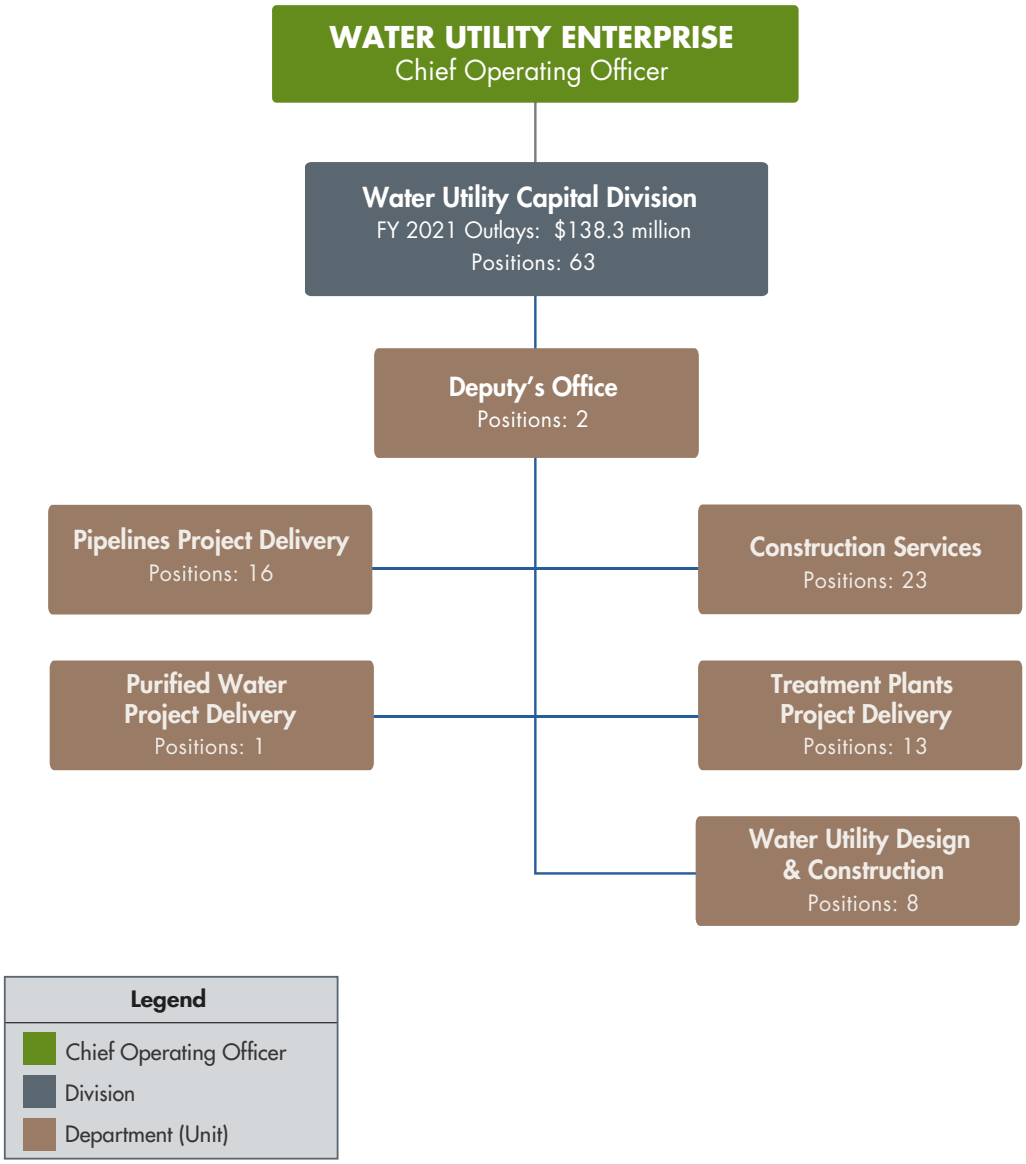
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Recycled & Purified Water Program					
	Salaries & Benefits	1,739,047	1,600,588	1,721,420	120,832
	Services & Supplies	1,653,118	2,595,000	2,710,000	115,000
	Intra District Charges	1,043,384	874,263	952,115	77,852
Recycled & Purified Water Program (410) Total		**4,435,549**	**5,069,851**	**5,383,535**	**313,684**
Deputy's Office of Water Supply Division					
	Salaries & Benefits	812,602	799,927	890,391	90,464
	Services & Supplies	40,733	9,500	24,200	14,700
	Intra District Charges	450,062	428,172	481,855	53,684
Deputy's Office of Water Supply Division (415) Total		**1,303,398**	**1,237,599**	**1,396,446**	**158,847**
Imported Water					
	Salaries & Benefits	1,603,779	1,890,510	2,234,766	344,255
	Services & Supplies	50,106,672	59,243,964	64,727,600	5,483,636
	Intra District Charges	1,061,377	1,079,769	1,313,891	234,123
	Capital Expenditures	16,000	0	0	0
Imported Water (425) Total		**52,787,828**	**62,214,243**	**68,276,257**	**6,062,014**
Water Supply Planning and Conservation					
	Salaries & Benefits	2,051,506	2,202,189	2,209,706	7,517
	Services & Supplies	3,616,357	6,662,160	5,827,500	(834,660)
	Intra District Charges	1,288,124	1,222,214	1,285,777	63,563
Water Supply Planning and Conservation (445) Total		**6,955,987**	**10,086,563**	**9,322,983**	**(763,580)**
Groundwater Monitoring & Analysis					
	Salaries & Benefits	2,418,468	2,629,202	2,822,139	192,937
	Services & Supplies	115,447	336,400	528,600	192,200
	Intra District Charges	1,494,380	1,444,568	1,582,726	138,158
Groundwater Monitoring & Analysis (465) Total		**4,028,295**	**4,410,170**	**4,933,465**	**523,295**
Wells and Water Measurement					
	Salaries & Benefits	1,963,789	2,402,008	2,440,062	38,055
	Services & Supplies	165,365	91,520	99,370	7,850
	Intra District Charges	1,267,487	1,383,099	1,476,859	93,760
	Capital Expenditures	763	15,750	15,750	0
Wells and Water Measurement (475) Total		**3,397,404**	**3,892,377**	**4,032,041**	**139,664**
Operations Total*		**72,908,461**	**86,910,802**	**93,344,727**	**6,433,925**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Recycled & Purified Water Program					
	Salaries & Benefits	40,969	51,138	81,346	30,208
	Services & Supplies	0	(80,688)	(143,458)	(62,770)
	Intra District Charges	24,819	28,083	44,985	16,902
Recycled & Purified Water Program (410) Total		**65,787**	**(1,467)**	**(17,127)**	**(15,660)**
Deputy's Office of Water Supply Division					
	Salaries & Benefits	0	16,357	8,940	(7,417)
	Intra District Charges	0	8,770	4,835	(3,935)
Deputy's Office of Water Supply Division (415) Total		**0**	**25,127**	**13,775**	**(11,352)**
Imported Water					
	Salaries & Benefits	872	29,141	4,189	(24,952)
	Services & Supplies	10,056,930	10,410,713	10,776,941	366,228
	Intra District Charges	578	16,712	2,464	(14,247)
Imported Water (425) Total		**10,058,379**	**10,456,565**	**10,783,594**	**327,029**
Water Supply Planning and Conservation					
	Salaries & Benefits	31,524	85,107	43,928	(41,179)
	Services & Supplies	0	0	2,000,000	2,000,000
	Intra District Charges	20,454	47,404	25,644	(21,759)
Water Supply Planning and Conservation (445) Total		**51,978**	**132,511**	**2,069,573**	**1,937,062**
Groundwater Monitoring & Analysis					
	Salaries & Benefits	3,049	52,715	13,354	(39,361)
	Intra District Charges	1,932	29,499	7,638	(21,862)
Groundwater Monitoring & Analysis (465) Total		**4,981**	**82,214**	**20,991**	**(61,223)**
Capital Total*		**10,181,125**	**10,694,950**	**12,870,806**	**2,175,856**
Division Total*		**83,089,586**	**97,605,753**	**106,215,534**	**8,609,781**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Utility Capital Division



Division Description and Objectives

The Water Utility Capital Division is responsible for planning, design and construction of Water Utility capital projects in the District's rolling 5-year Capital Improvement Program (CIP). This division also works across the agency with other departments, executives and elected officials and coordinates with various local, state and federal agencies. Below are the units that the Water Utility Capital Division oversees.

Construction Services

The Construction Services Unit is responsible for management, inspection, and administration of Capital construction projects included in the Water Utility and Watershed Capital Improvement Program. Unit staff ensures Valley Water contractors comply with the project requirements, including environmental compliance and operational requirements of our water treatment and transmission facilities.

Design and Construction

The Design and Construction Unit is responsible for Valley Water's Capital watershed projects for flood protection in north and south Santa Clara County. Unit staff manages and performs the planning, design, and engineering support services during construction of various capital watershed projects, including Upper Llagas Creek Flood Protection Project, Sunnyvale East and West Channels Flood Protection Project, and Lower Silver Creek Flood Protection Project. Unit staff also provides structural and geotechnical engineering services for other capital and operations projects throughout Valley Water.

Treatment Plants Project Delivery

The Treatment Plants Project Delivery Unit supports the implementation of Valley Water's 5-Year Capital Improvement Program for Water Utility projects on the east and west side of Santa Clara County. Unit staff manages and performs the planning and design, and provides engineering support services during construction of various water supply capital projects, including east side treatment plants, pump stations, the Rinconada Water Treatment Plant and other Valley Water facilities as needed.

Pipelines Project Delivery

The Pipelines Project Delivery Unit is responsible for the planning and design, and providing engineering support services during construction of Valley Water's pipeline infrastructure projects defined in Valley Water's 5-year CIP as well as other District documents. Unit staff plan, design, and support construction of the Water Utility Small Capital Projects to support the Water Utility's Asset Management Program. Unit staff also provides structural engineering services for capital and operations projects throughout Valley Water.

Purified Water Project Delivery

The Purified Water Project Delivery unit works to expand the use of purified water in the Silicon Valley by collaborating with planning staff and further developing the project through design, construction, and implementation. Staff evaluates and develops pipeline alignments and locations of facilities, determines necessary acquisition of real estate and right-of-way, and establishes design criteria in compliance with Indirect Potable Reuse (IPR) and future potential for Direct Potable Reuse (DPR). Consultants are hired and managed to provide specialty services necessary to deliver the final project.

FY 2020 Accomplishments

- Construction was completed for the Penitencia Delivery and Force Main Seismic Retrofit Project.
- Several construction projects were completed at the Penitencia Water Treatment Plant (PWTP): the seismic retrofit of the operations building; the clearwell recoating and repair; and installation of a fluoridation system.
- A new fluoridation system was installed and brought online at the Santa Teresa Water Treatment Plant.
- The Wolfe Road Recycled Water Facilities Project installed approximately 13,300 lineal feet of 24" inch diameter recycled water pipeline and appurtenances to expand the recycled water distribution system in the City of Sunnyvale and provide recycled water service to the Apple 2 campus.
- Eighty (80) distressed segments of the Almaden Valley Pipeline were successfully repaired using carbon fiber wrap in a 2-month emergency repair period.
- An expanded shortlist for the P3 procurement for the Expedited Purified Water Program was developed through a second RFQ process.

FY 2021 Milestones

- Complete Phase 2 of the Rinconada Water Treatment Plant Reliability Improvement Project.
- Release Draft Environmental Impact Reports (EIR) for the Anderson and Guadalupe Dams Seismic Retrofit Projects for public review.
- Request Board certification of the Final EIR for the Anderson Dam Seismic Retrofit Project.
- Complete 90% design for the Anderson, Calero, and Guadalupe Dam Seismic Retrofit Projects.
- Complete construction of the Main/Madrone Pipelines Restoration Project.
- Complete construction of the Coyote Warehouse.
- Initiate planning and preliminary design of the Vasona Pumping Plant Upgrade and Coyote Pumping Plant Adjustable Speed Drive Projects.
- Continue 10-Year Pipeline Inspection and Rehabilitation Program work.
- Complete the RFP process for the Expedited Purified Water Program and execute a Development Period Agreement with the highest-ranked P3 entity.

Budget Issues and Constraints

The amount of funding available, derived from groundwater production charges in both North and South County, will determine the number of Capital Projects which will be funded in a given year. Current staffing levels will preclude the implementation of projects not already identified within the 5-year CIP. Staff availability and support outside of the Water Utility Capital Division is also a factor affecting completion of the projected milestones and the volume of work that can be accomplished. Project progress can be greatly affected by external factors outside of the District (i.e., securing permits; obtaining timely reviews and approvals of project deliverables; timely development and execution of agreements with external agencies).

Water Utility Capital Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	575,867	448,912	126,242	(322,670)	-72%
Operating Project	3,306	0	2,479	2,479	0%
Capital	57,860,000	64,232,579	138,128,634	73,896,056	115%
Total *	**58,439,172**	**64,681,491**	**138,257,356**	**73,575,865**	**114%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Purified Water Project Delivery	0	0	374,778	374,778	0%
Pipelines Project Delivery	10,567,838	21,268,492	15,556,117	(5,712,375)	-27%
East Side Project Delivery	7,057,645	3,511,965	0	(3,511,965)	-100%
Deputy's Office of Water Utility Capital Division	2,956,583	2,765,926	27,773,772	25,007,846	904%
Construction Services	5,531,891	8,155,747	9,741,343	1,585,595	19%
Water Utility Design & Construction	8,565,060	15,165,208	46,144,884	30,979,677	204%
Treatment Plants Project Delivery	23,760,154	13,814,153	38,666,462	24,852,309	180%
Total *	**58,439,172**	**64,681,491**	**138,257,356**	**73,575,865**	**114%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Water Utility Capital Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**60**	**65**	**63**	**(2)**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of Water Utility Capital Division					
	Salaries & Benefits	157,131	167,028	28,431	(138,598)
	Services & Supplies	1,589	0	0	0
	Intra District Charges	86,964	82,410	12,808	(69,602)
Deputy's Office of Water Utility Capital Division (315) Total		**245,684**	**249,438**	**41,238**	**(208,200)**
Water Utility Design & Construction					
	Salaries & Benefits	3,566	4,979	10,432	5,453
	Services & Supplies	9,093	0	0	0
	Intra District Charges	557	669	3,847	3,178
Water Utility Design & Construction (333) Total		**13,216**	**5,648**	**14,280**	**8,631**
Construction Services					
	Salaries & Benefits	30,193	10,737	8,273	(2,464)
	Services & Supplies	12,576	0	0	0
	Intra District Charges	16,684	5,522	2,198	(3,323)
Construction Services (351) Total		**59,453**	**16,259**	**10,471**	**(5,787)**
East Side Project Delivery					
	Salaries & Benefits	53,807	72,482	0	(72,482)
	Intra District Charges	31,829	38,415	0	(38,415)
East Side Project Delivery (375) Total		**85,635**	**110,897**	**0**	**(110,897)**
Treatment Plants Project Delivery					
	Salaries & Benefits	10,007	3,074	10,230	7,156
	Services & Supplies	5,531	0	0	0
	Intra District Charges	6,311	419	1,710	1,291
Treatment Plants Project Delivery (376) Total		**21,849**	**3,494**	**11,941**	**8,447**
Pipelines Project Delivery					
	Salaries & Benefits	103,668	49,089	37,216	(11,873)
	Services & Supplies	1,143	0	0	0
	Intra District Charges	48,524	14,088	13,576	(512)
Pipelines Project Delivery (385) Total		**153,335**	**63,177**	**50,792**	**(12,385)**
Operations Total*		**579,173**	**448,912**	**128,722**	**(320,191)**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of Water Utility Capital Division					

Capital Budget by Department and Account Category (Continued)

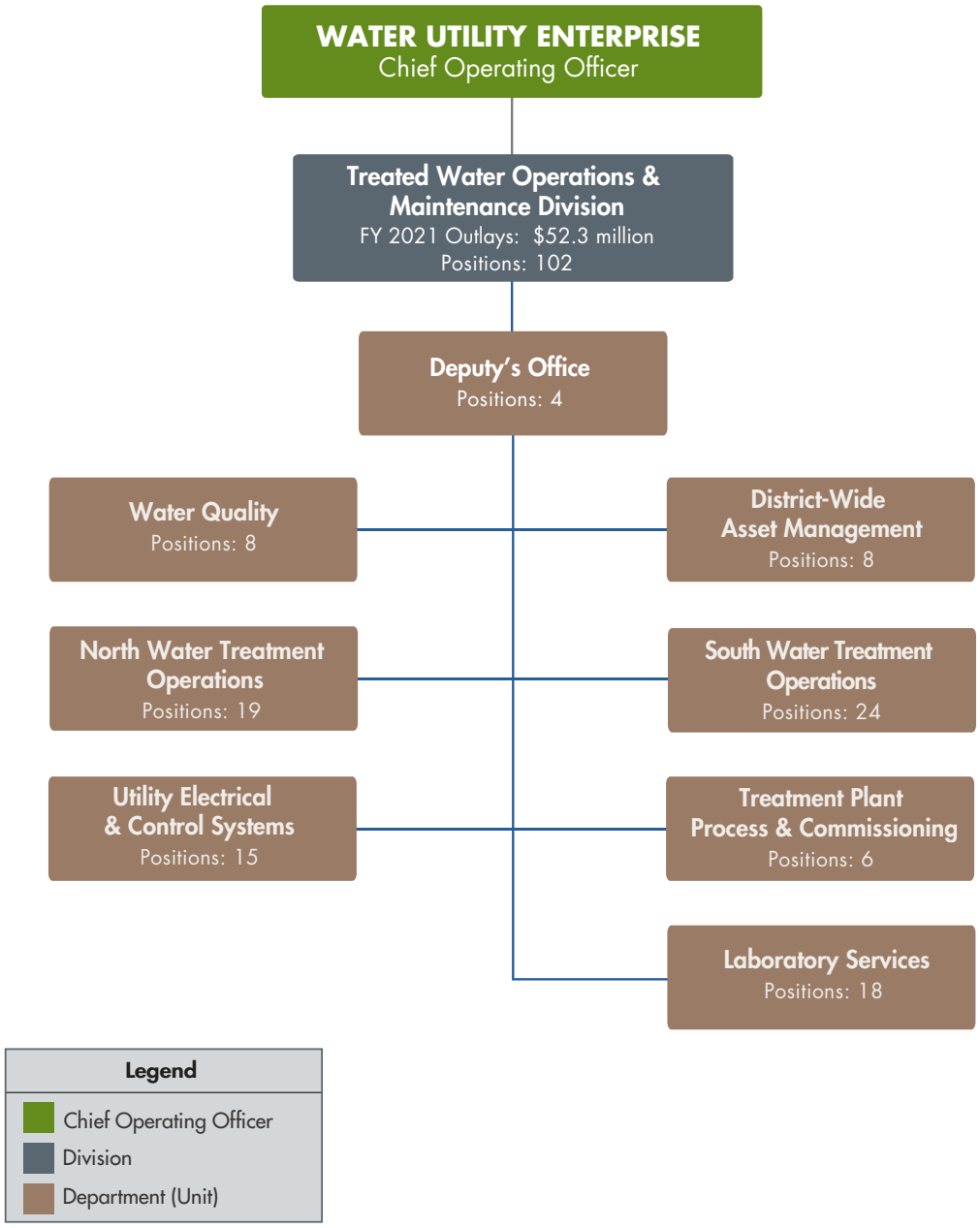
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
	Salaries & Benefits	608,457	411,074	570,365	159,291
	Services & Supplies	1,773,860	1,906,500	1,888,583	(17,917)
	Capital Expenditures	0	0	25,000,000	25,000,000
	Intra District Charges	328,583	198,914	273,585	74,671
Deputy's Office of Water Utility Capital Division (315) Total		**2,710,900**	**2,516,488**	**27,732,534**	**25,216,045**
Water Utility Design & Construction					
	Salaries & Benefits	1,497,598	1,712,953	1,757,014	44,061
	Services & Supplies	2,120,710	(46,393,264)	(545,033)	45,848,231
	Capital Expenditures	4,004,592	58,892,000	43,922,000	(14,970,000)
	Intra District Charges	928,943	947,871	996,624	48,753
Water Utility Design & Construction (333) Total		**8,551,844**	**15,159,559**	**46,130,605**	**30,971,046**
Construction Services					
	Salaries & Benefits	3,043,324	4,888,301	5,077,871	189,571
	Services & Supplies	486,753	599,652	1,773,844	1,174,192
	Intra District Charges	1,942,360	2,651,536	2,879,156	227,620
Construction Services (351) Total		**5,472,437**	**8,139,489**	**9,730,871**	**1,591,383**
East Side Project Delivery					
	Salaries & Benefits	1,077,815	1,471,649	0	(1,471,649)
	Services & Supplies	1,221,571	(1,662,847)	0	1,662,847
	Capital Expenditures	4,001,287	2,776,200	0	(2,776,200)
	Intra District Charges	671,336	816,066	0	(816,066)
East Side Project Delivery (375) Total		**6,972,010**	**3,401,068**	**0**	**(3,401,068)**
Treatment Plants Project Delivery					
	Salaries & Benefits	1,851,805	1,868,079	2,704,224	836,146
	Services & Supplies	12,790,209	791,056	(17,145,204)	(17,936,260)
	Capital Expenditures	8,000,000	10,105,000	51,530,000	41,425,000
	Intra District Charges	1,096,291	1,046,525	1,565,500	518,976
Treatment Plants Project Delivery (376) Total		**23,738,306**	**13,810,660**	**38,654,521**	**24,843,862**
Purified Water Project Delivery					
	Salaries & Benefits	0	0	235,374	235,374
	Intra District Charges	0	0	139,404	139,404
Purified Water Project Delivery (378) Total		**0**	**0**	**374,778**	**374,778**
Pipelines Project Delivery					
	Salaries & Benefits	1,978,790	2,701,812	3,070,070	368,258
	Services & Supplies	7,060,359	3,854,945	1,580,111	(2,274,834)
	Capital Expenditures	153,464	13,155,500	9,100,000	(4,055,500)

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
	Intra District Charges	1,221,891	1,493,058	1,755,144	262,086
Pipelines Project Delivery (385) Total		**10,414,503**	**21,205,315**	**15,505,325**	**(5,699,990)**
Capital Total*		**57,860,000**	**64,232,579**	**138,128,634**	**73,896,056**
Division Total*		**58,439,172**	**64,681,491**	**138,257,356**	**73,575,865**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Treated Water Division



Division Description and Objectives

The Treated Water Division manages Valley Water's three potable water treatment plants, providing a reliable high-quality drinking water supply to Santa Clara County. In addition, the Division operates the Campbell Well Field to provide backup supply to the treated water system, and the Silicon Valley Advanced Water Purification Center to advance the quality and use of recycled water in the county. The Division also manages units that provide laboratory, water quality, asset management, treatment plant process and commissioning, SCADA and electrical engineering services and support across Valley Water as a whole. The Division also provides technical expertise and leadership for all commissioning related work to improve overall safety quality and reliability upon handover to Operations and Maintenance. In addition, the Division maintains constant communication and annual check-ins with the Department of Drinking Water which includes tracking ongoing and annual updates to drinking water regulations.

Laboratory Services

The Laboratory Services Unit is responsible for providing analytical and sampling services to the Water Utility Enterprise. Our state-of-the-art laboratory is certified with the California Environmental Laboratory Accreditation Program (ELAP) and tests water produced from each of our drinking water treatment plants, the Silicon Valley Advanced Water Purification Center, surface water reservoirs and groundwater basins.

Water Quality

The Water Quality Unit is responsible for providing water quality operational, process and project support directly to the treated water managers and Water Treatment Plant supervisors and operators. In addition, the unit also oversees Source Water Quality Management and Invasive Mussel Prevention Programs.

District-Wide Asset Management

The District-Wide Asset Management Unit implements a comprehensive asset management program to optimize infrastructure investment strategies and enhance related financial planning of Valley Water assets. The Department manages the water utility, watershed, and administration asset management programs, and supports the users of Valley Water's Computerized Maintenance Management System (CMMS), Maximo.

Treatment Plant Process and Commissioning

The Treatment Plant Process & Commissioning Unit leads the commissioning and start-up activities at Valley Water's treatment facilities and treated water pipelines, and the implementation of major treatment process changes. This Unit is a dedicated team that supports and implements the integration of large capital projects during all phases of a capital project to our treatment facilities and treated water pipelines.

North Water Treatment Operations

The North Water Treatment Operations unit provides safe and high-quality drinking water to Valley Water's three (3) treated water retailers along East/Milpitas Pipelines, including San Jose Water Company, City of San Jose, and City of Milpitas. The unit is responsible for safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Penitencia Water Treatment Plant (PWTP), the joint San Francisco Public Utilities Commission (SFPUC)-Valley Water (VW) intertie facility, as well as the East/Milpitas Pipeline turnouts. The unit is responsible for

cost-effective operations and maintenance of the Silicon Valley Advanced Water Purification Center (SVAWPC).

South Water Treatment Operations

The South Water Treatment Operations unit provides safe, healthy and high-quality drinking water and a backup supply of drinking water to Valley Water's seven (7) treated water retailers, and ultimately to the residents of the Santa Clara County. The unit is responsible for providing a safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Santa Teresa Water Treatment Plant (STWTP), the Rinconada Water Treatment Plant (RWTP), the Campbell Well Field, and the West and Snell/East Pipeline turnouts.

Utility Electrical and Control Systems Engineering

The Unit provides electrical, control systems, and Supervisory Control and Data Acquisition (SCADA) engineering services, including direct technical services, in support of the utility's critical infrastructure and systems used in the day-to-day (24 hrs a day, 7 days a week, 365 days) of operations and maintenance of Valley Water's complex countywide water conveyance system (including pump stations and pipelines), three drinking water treatment plants, and one advanced purified water processing plant.

FY 2020 Accomplishments

- Managed the effective operation and maintained the STWTP, PTWTP and RWTP, Valley Water Intertie facility, the Campbell Well Field, and the East and West Pipeline turnouts to deliver treated water to our customers which met and/or surpassed all applicable primary drinking water quality regulatory standards.
- Effectively maintained all treated water facilities with (Target of 90%) 80% completion of preventative maintenance work orders (PMs) and kept corrective maintenance (CM) to 5% (Target < 15%).
- 100% of the purified water produced from Silicon Valley Advanced Water Purification Center (SVAWPC) met Title 22 recycled water standards and O&M agreement targets.
- ELAP requirements for recertification, quality control, and proficiency testing were met as well as successful completion of 200,000 analyses to support ongoing Valley Water operations by the Water Quality Lab.
- Continued to support Rinconada Reliability Improvement Project and Residuals Remediation Project (ongoing FY2020).
- Provided regular communication with the retailers on pertinent water quality activities/operational issues and hold successful quarterly Water Retailer Meetings.
- Provided regular communications with the Division of Drinking Water (DDW) on pertinent water quality activities. Held a successful annual meeting with the Division of Drinking Water in Decemebr 2019.
- Completed the Membrane Selection Pilot for the Silicon Valley Advanced Water Purification Center and support membrane replacement efforts (ongoing FY2020).
- Successful development of an SOP and definition of roles and responsibilities, training to operations staff and plan coordination with multiple units to oversee the Water Truck operations.
- Met with all Water Retailer Customers one on one to address any concerns and provide an update on WUE priorities and activities.

FY 2021 Milestones

- Ensure that 100% of the treated water delivered to our customers meets all applicable primary drinking water regulatory standards.
- Meet all sampling and reporting requirements established by Division of Drinking Water, and Valley Water operational needs. Timely submittal of all operational and compliance reports to Division of Drinking Water, Valley Water Retailers, and internal stakeholders, as required, and upon request.
- Transition & Maintain laboratory accreditation with California Environmental Laboratory Accreditation Program (CA ELAP).
- Host a Cyanotoxin Response Plan tabletop exercise with regulators and retailers to address communications during a harmful algal bloom episode.
- Provide support to Rinconada's capital project and work diligently to obtain all the necessary regulatory clearances from DDW.
- Provide regular communications with the retailers on pertinent water quality issues (taste and odor, distribution system water quality), conduct at least quarterly Water Retailer meetings and receive an average of good or better rating in the annual retailer surveys.

Budget Issues and Constraints

The ongoing budget issues and constraints affecting the Treated Water Division include demands on resources to support the capital and aging infrastructure needs as well as quickly emerging regulations such as PFAS. In addition, unplanned outages and infrastructure failures continue to cause a strain on already existing resources and planned projects.

Treated Water Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	41,069,410	41,991,863	46,247,889	4,256,026	10%
Operating Project	5,175	0	0	0	0%
Capital	1,570,724	2,719,453	6,047,077	3,327,624	122%
Total *	**42,645,309**	**44,711,316**	**52,294,966**	**7,583,650**	**17%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
District-wide Asset Management	4,223,977	3,419,087	3,927,082	507,995	15%
Deputy's Office of Treated Water Division	1,432,650	1,946,632	1,641,112	(305,520)	-16%
Treatment Plant Process & Commissioning	0	0	3,137,305	3,137,305	-16%
Water Quality	2,607,282	3,708,396	4,211,515	503,119	14%
South Water Treatment Operations	13,411,661	13,722,710	14,810,438	1,087,728	8%
Utility Electrical & Control Systems	5,590,417	6,112,792	7,570,843	1,458,050	24%
North Water Treatment Operations	8,735,574	9,097,572	10,333,492	1,235,920	14%
Laboratory Services	6,643,749	6,704,127	6,663,179	(40,948)	-1%
Total *	**42,645,309**	**44,711,316**	**52,294,966**	**7,583,650**	**17%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Treated Water Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**98**	**99**	**102**	**3**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
District-wide Asset Management					
	Salaries & Benefits	1,638,142	1,702,719	1,718,798	16,079
	Services & Supplies	1,525,376	687,500	1,056,500	369,000
	Intra District Charges	1,041,663	951,549	978,798	27,249
District-wide Asset Management (411) Total		**4,205,181**	**3,341,768**	**3,754,096**	**412,329**
Deputy's Office of Treated Water Division					
	Salaries & Benefits	774,727	1,208,028	1,022,071	(185,958)
	Services & Supplies	23,096	40,000	40,000	0
	Intra District Charges	452,961	669,322	579,041	(90,280)
Deputy's Office of Treated Water Division (515) Total		**1,250,784**	**1,917,350**	**1,641,112**	**(276,238)**
Treatment Plant Process & Commissioning					
	Salaries & Benefits	0	0	343,241	343,241
	Services & Supplies	0	0	19,400	19,400
	Intra District Charges	0	0	194,064	194,064
Treatment Plant Process & Commissioning (516) Total		**0**	**0**	**556,705**	**556,705**
Water Quality					
	Salaries & Benefits	1,424,706	1,658,411	1,525,398	(133,013)
	Services & Supplies	167,168	681,670	1,457,020	775,350
	Intra District Charges	769,086	917,906	877,930	(39,976)
Water Quality (525) Total		**2,360,959**	**3,257,986**	**3,860,348**	**602,361**
Laboratory Services					
	Salaries & Benefits	3,317,512	3,458,105	3,630,717	172,612
	Services & Supplies	1,218,625	673,000	780,000	107,000
	Capital Expenditures	19,434	49,500	49,500	0
	Intra District Charges	2,059,324	1,909,577	2,043,979	134,402
Laboratory Services (535) Total		**6,614,895**	**6,090,182**	**6,504,197**	**414,015**
Utility Electrical & Control Systems					
	Salaries & Benefits	2,673,108	2,661,094	2,562,008	(99,086)
	Services & Supplies	574,945	997,800	1,013,900	16,100
	Intra District Charges	1,624,352	1,484,079	1,438,265	(45,814)
Utility Electrical & Control Systems (545) Total		**4,872,404**	**5,142,973**	**5,014,173**	**(128,800)**
North Water Treatment Operations					
	Salaries & Benefits	3,709,464	3,639,733	3,877,671	237,938
	Services & Supplies	2,867,223	3,467,000	4,320,000	853,000
	Intra District Charges	2,156,111	1,990,839	2,114,287	123,448
North Water Treatment Operations (565) Total		**8,732,798**	**9,097,572**	**10,311,958**	**1,214,386**

Operations Budget by Department and Account Category (Continued)

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
South Water Treatment Operations					
	Salaries & Benefits	4,905,893	4,662,269	4,981,893	319,624
	Services & Supplies	5,430,438	6,185,700	7,040,500	854,800
	Intra District Charges	2,701,234	2,296,063	2,582,908	286,845
South Water Treatment Operations (566) Total		**13,037,564**	**13,144,032**	**14,605,301**	**1,461,269**
Operations Total*		**41,074,585**	**41,991,863**	**46,247,889**	**4,256,026**

Capital Budget by Department and Account Category

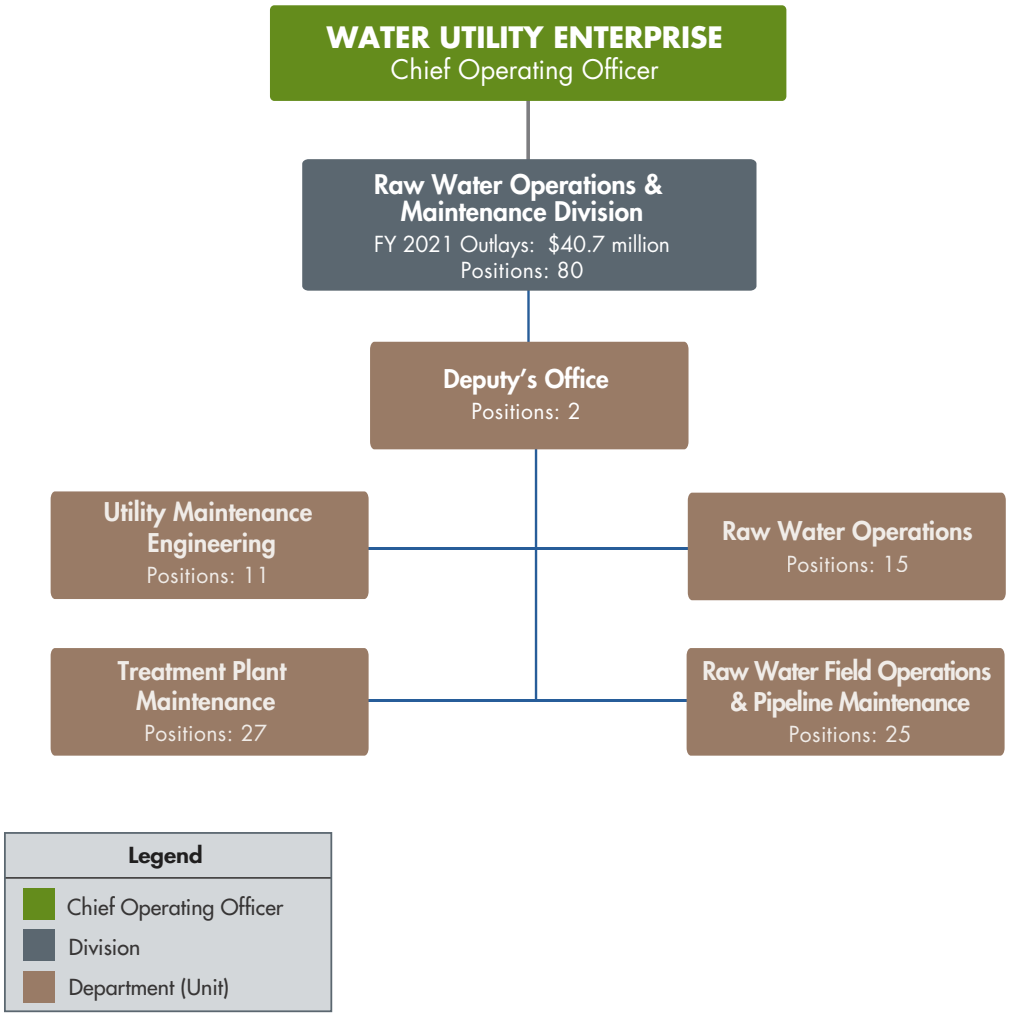
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
District-wide Asset Management					
	Salaries & Benefits	11,353	49,431	110,112	60,681
	Intra District Charges	7,444	27,889	62,874	34,986
District-wide Asset Management (411) Total		**18,796**	**77,320**	**172,986**	**95,666**
Deputy's Office of Treated Water Division					
	Salaries & Benefits	114,243	18,823	0	(18,823)
	Intra District Charges	67,346	10,459	0	(10,459)
	Services & Supplies	276	0	0	0
Deputy's Office of Treated Water Division (515) Total		**181,865**	**29,282**	**0**	**(29,282)**
Treatment Plant Process & Commissioning					
	Salaries & Benefits	0	0	1,009,595	1,009,595
	Intra District Charges	0	0	571,005	571,005
	Services & Supplies	0	0	1,000,000	1,000,000
Treatment Plant Process & Commissioning (516) Total		**0**	**0**	**2,580,600**	**2,580,600**
Water Quality					
	Salaries & Benefits	138,045	289,733	222,691	(67,042)
	Intra District Charges	76,635	160,676	128,476	(32,200)
	Services & Supplies	31,643	0	0	0
Water Quality (525) Total		**246,323**	**450,409**	**351,167**	**(99,242)**
Laboratory Services					
	Salaries & Benefits	4,214	8,948	5,726	(3,222)
	Intra District Charges	2,588	4,997	3,256	(1,741)
	Capital Expenditures	22,052	600,000	150,000	(450,000)
Laboratory Services (535) Total		**28,854**	**613,945**	**158,982**	**(454,962)**
Utility Electrical & Control Systems					

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
	Salaries & Benefits	443,868	619,146	997,933	378,787
	Intra District Charges	273,882	350,673	558,737	208,064
	Services & Supplies	263	0	1,000,000	1,000,000
Utility Electrical & Control Systems (545) Total		**718,013**	**969,820**	**2,556,670**	**1,586,850**
North Water Treatment Operations					
	Salaries & Benefits	2,587	0	13,682	13,682
	Intra District Charges	189	0	7,852	7,852
North Water Treatment Operations (565) Total		**2,776**	**0**	**21,534**	**21,534**
South Water Treatment Operations					
	Salaries & Benefits	234,499	372,575	130,327	(242,247)
	Intra District Charges	138,993	206,103	74,810	(131,293)
	Services & Supplies	605	0	0	0
South Water Treatment Operations (566) Total		**374,097**	**578,678**	**205,137**	**(373,541)**
Capital Total*		**1,570,724**	**2,719,453**	**6,047,077**	**3,327,624**
Division Total*		**42,645,309**	**44,711,316**	**52,294,966**	**7,583,650**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Raw Water Division



Division Description and Objectives

The Raw Water Division maintains the Water Utility infrastructure and operates the Raw Water System. This includes the operations and maintenance of Valley Water's 10 reservoirs, 3 raw water pump stations, 94 miles of large diameter raw water transmission pipelines and tunnels, and a multifaceted groundwater recharge system including 91 miles of managed creeks and 99 off stream recharge ponds. The Division also maintains Valley Water's three drinking water treatment plants, the Campbell Well Field, and the 40-plus miles of large diameter treated water transmission pipelines. The Division provides civil and mechanical engineering and corrosion control services in support of maintenance of these facilities. The Division also performs the Annual Water Supply Operations Plan for the water supply of the County, performs the planning and analysis for the operations of the Raw Water System, manages Valley Water's local water rights, and submits the regulatory reports needed for

operation of the Raw Water System.

Raw Water Operations Unit

The Raw Water Operations Unit performs the day-to-day operations planning and remote operations of the District's Raw Water System as described above. The Unit also performs the required water right and regulatory compliance reporting to maintain and protect local water supply operations.

Utility Maintenance Engineering Unit

The Utility Maintenance Engineering Unit provides civil and mechanical engineering as well as corrosion control services in support of Water Utility Operations and Maintenance Programs and Projects. The Unit also supports the 10-year pipeline rehabilitation capital project and oversees the implementation of the management strategy for large diameter water conveyance and transmission pipelines. This includes the inspection of Welded Steel and Pre-stressed Concrete Cylinder Pipe (PCCP) as well as the development of seismic and risk management tools for pipelines. The Unit also provides engineering support at the three treatment plants and the SVAWPC.

Raw Water/Field Operations and Pipeline Maintenance Unit

The Raw Water Field Operations and Pipeline Maintenance Department is responsible for the mechanical, electrical and control system preventive, corrective, and rehabilitative maintenance of the pipeline infrastructure which includes three pump stations (Pacheco, Coyote and Vasona) and over 140 miles of pipeline. Also included is the operation of recharge and water distribution systems for groundwater basins, reservoirs, canals, spreader dams, and other water supply infrastructure.

Treatment Plant Maintenance Unit

The Treatment Plant Maintenance Unit conducts preventive, corrective and rehabilitative maintenance required to sustain operations of the Santa Teresa Water Treatment Plant, Penitencia Water Treatment Plant, Rinconada Water Treatment Plant, Campbell Well Field, and San Francisco Intertie to produce drinking water.

FY 2020 Accomplishments

- Completed the FY20-24 Water Utility Maintenance Workplan.
- Completed the Cross Valley Pipeline and Calero Pipeline Inspection and Rehabilitation Project.
- Prepared two (2) new reservoir elevation-area-capacity curves for implementation at the beginning of water year 2020.
- Completed the Pachecho Pumping Plant HVAC Chiller Filter Retrofit and Fire Suppression System.
- Completed the Coyote Pumping Plant Warehouse and Staff Trailer Replacement.
- Completed the Vasona Pumping Plant Security Fencing.
- Completed Granger and Dutard Turnout Flowmeter replacements.
- Permanent Valley Habitat Plan buyout of work areas within Valley Water easement.

FY 2021 Milestones

- Complete the FY 21-25 Water Utility Maintenance Work Plan.
- Plan and execute on work projects identified in the 5 Year Maintenance Work Plan.
- Maintain reliable raw water and pipeline facilities by performing scheduled preventative maintenance.
- Perform condition assessments of pre-determined facilities.
- Complete raw and treated water system hydraulic models.
- Complete the Central Pipeline Inspections.
- Management of Cathodic Protection and Corrosion Control Systems (Maintenance, Surveys, troubleshooting and Repair).
- Operate recharge, canal, ditch, low pressure pipelines as required by the operations plan and regulatory agency requirements.
- Operate the Almaden Calero Canal during the storm season to transfer excess water from Almaden Reservoir to Calero Reservoir.
- Complete recharge pond maintenance.

Budget Issues and Constraints

None.

Raw Water Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	28,914,322	30,588,741	33,187,444	2,598,703	8%
Operating Project	2,057	0	61,856	61,856	0%
Capital	4,806,313	24,459,475	7,445,476	(17,013,999)	-70%
Total *	**33,722,692**	**55,048,217**	**40,694,777**	**(14,353,440)**	**-26%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Deputy's Office of Raw Water Division	771,257	684,881	811,147	126,266	18%
Raw Water Operations	4,879,053	5,652,603	6,101,185	448,582	8%
Treatment Plant Maintenance	11,845,293	21,419,003	14,033,209	(7,385,795)	-34%
Utility Maintenance Engineering	3,930,816	8,298,999	5,090,129	(3,208,870)	-39%
Raw Water Field Ops & Pipeline Maintenance	12,296,272	18,992,729	14,659,106	(4,333,623)	-23%
Total *	**33,722,692**	**55,048,217**	**40,694,777**	**(14,353,440)**	**-26%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Raw Water Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**78**	**82**	**80**	**(2)**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

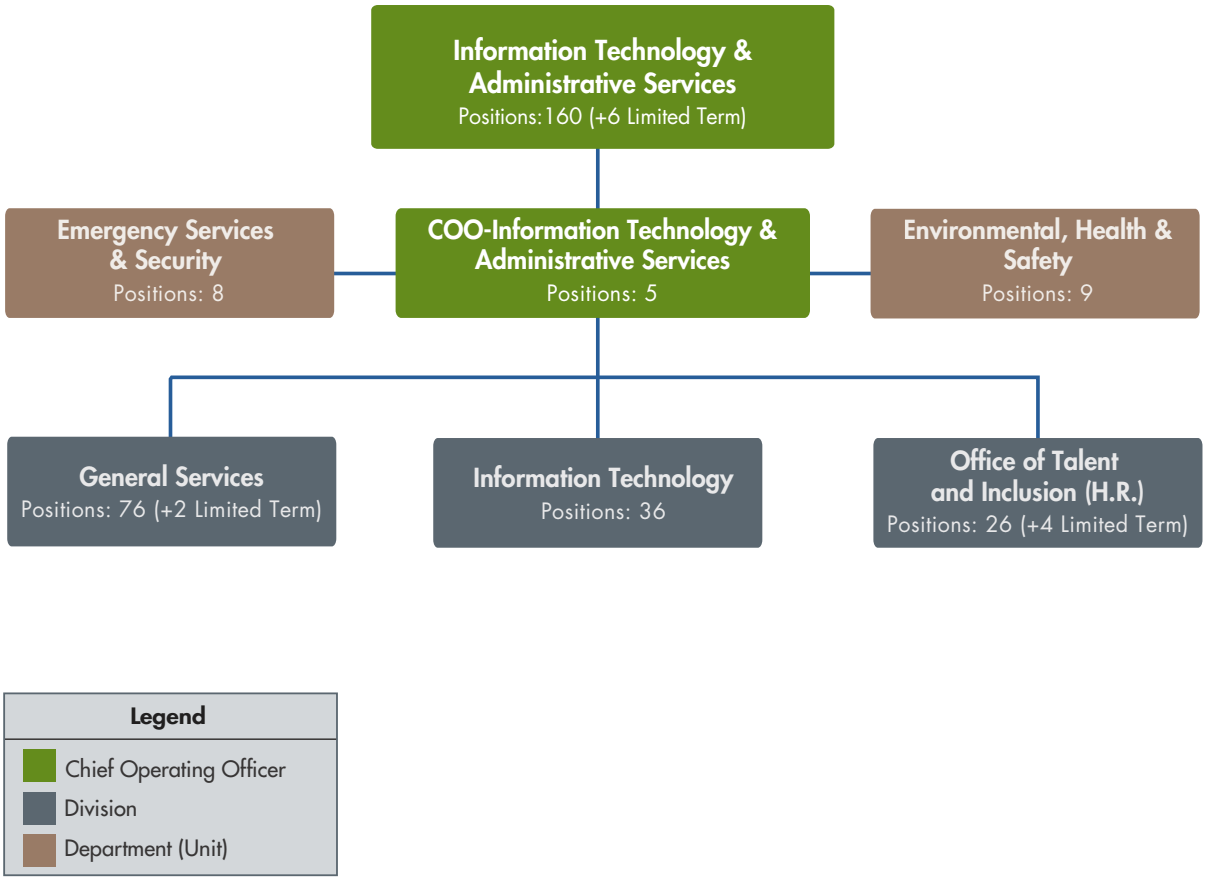
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of Raw Water Division					
	Salaries & Benefits	462,965	434,264	520,451	86,187
	Services & Supplies	5,743	7,000	11,000	4,000
	Intra District Charges	302,549	243,618	279,697	36,079
Deputy's Office of Raw Water Division (408) Total		**771,257**	**684,881**	**811,147**	**126,266**
Utility Maintenance Engineering					
	Salaries & Benefits	1,278,952	1,681,993	1,745,806	63,813
	Services & Supplies	235,205	682,000	1,304,200	622,200
	Intra District Charges	805,333	982,650	1,049,373	66,724
	Capital Expenditures	5,300	0	0	0
Utility Maintenance Engineering (435) Total		**2,324,791**	**3,346,643**	**4,099,380**	**752,737**
Raw Water Operations					
	Salaries & Benefits	2,911,093	3,209,027	3,347,211	138,185
	Services & Supplies	250,176	676,750	772,850	96,100
	Intra District Charges	1,696,537	1,690,539	1,771,112	80,573
	Capital Expenditures	2,878	0	0	0
Raw Water Operations (455) Total		**4,860,684**	**5,576,316**	**5,891,174**	**314,858**
Treatment Plant Maintenance					
	Salaries & Benefits	4,904,268	4,834,161	5,091,088	256,927
	Services & Supplies	2,393,437	2,837,000	2,522,600	(314,400)
	Intra District Charges	3,248,499	2,930,261	3,369,428	439,167
	Capital Expenditures	55,441	10,000	60,000	50,000
Treatment Plant Maintenance (555) Total		**10,601,646**	**10,611,422**	**11,043,116**	**431,694**
Raw Water Field Ops & Pipeline Maintenance					
	Salaries & Benefits	4,130,620	4,465,033	4,684,541	219,508
	Services & Supplies	3,351,849	2,958,360	3,120,510	162,150
	Intra District Charges	2,875,033	2,946,086	3,599,434	653,347
	Capital Expenditures	500	0	0	0
Raw Water Field Ops & Pipeline Maintenance (585) Total		**10,358,003**	**10,369,479**	**11,404,485**	**1,035,005**
Operations Total*		**28,916,379**	**30,588,741**	**33,249,301**	**2,660,560**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Utility Maintenance Engineering					
	Services & Supplies	481,615	4,055,000	0	(4,055,000)
	Salaries & Benefits	708,088	565,148	617,287	52,140
	Intra District Charges	416,322	332,209	373,463	41,254
Utility Maintenance Engineering (435) Total		**1,606,025**	**4,952,357**	**990,750**	**(3,961,607)**
Raw Water Operations					
	Services & Supplies	27	0	0	0
	Salaries & Benefits	11,361	49,403	134,926	85,523
	Intra District Charges	6,981	26,885	75,086	48,201
Raw Water Operations (455) Total		**18,370**	**76,287**	**210,012**	**133,724**
Treatment Plant Maintenance					
	Services & Supplies	588,322	7,465,000	2,250,000	(5,215,000)
	Salaries & Benefits	182,467	749,673	431,675	(317,998)
	Capital Expenditures	359,572	2,100,000	0	(2,100,000)
	Intra District Charges	113,287	492,909	308,418	(184,491)
Treatment Plant Maintenance (555) Total		**1,243,648**	**10,807,581**	**2,990,093**	**(7,817,488)**
Raw Water Field Ops & Pipeline Maintenance					
	Services & Supplies	1,490,372	6,906,500	2,527,763	(4,378,737)
	Salaries & Benefits	265,900	346,421	398,109	51,688
	Capital Expenditures	0	1,126,000	0	(1,126,000)
	Intra District Charges	181,998	244,329	328,749	84,420
Raw Water Field Ops & Pipeline Maintenance (585) Total		**1,938,270**	**8,623,250**	**3,254,621**	**(5,368,629)**
Capital Total*		**4,806,313**	**24,459,475**	**7,445,476**	**(17,013,999)**
Division Total*		**33,722,692**	**55,048,217**	**40,694,777**	**(14,353,440)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

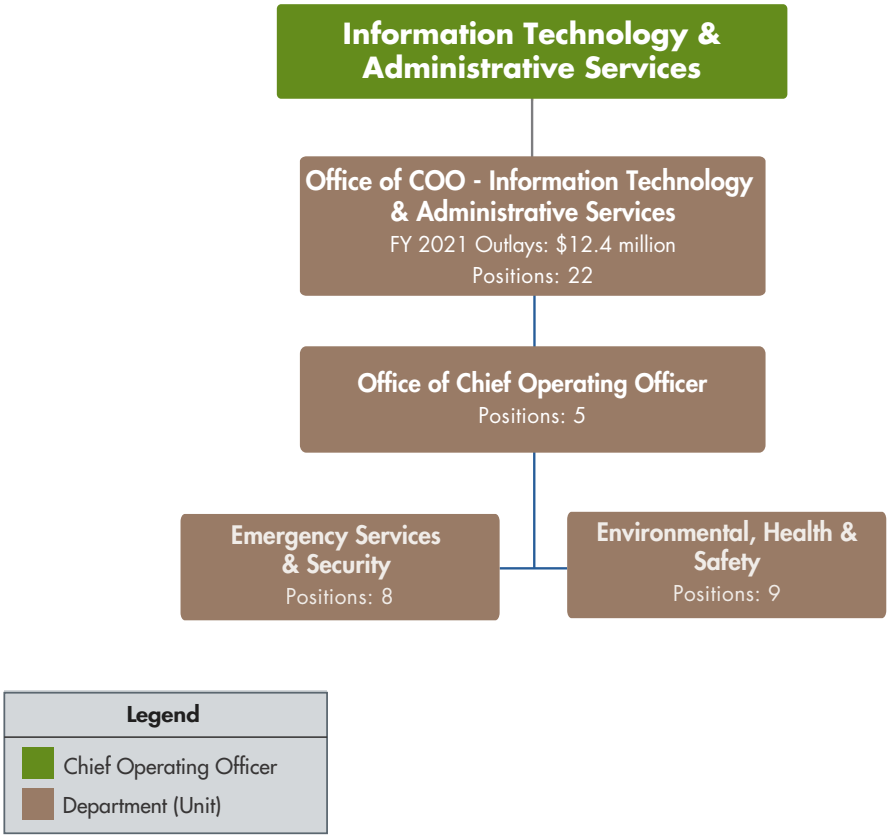
Administrative Services



Description

Information Technology & Administrative Services support the mission of the Santa Clara Valley Water District - to provide Silicon Valley safe, clean water for a healthy life, environment, and economy - by providing essential business services for Valley Water including general services such as Construction Contracts and Support; Procurement and Contracting; Fleet equipment and facilities maintenance; Emergency Services and Security; Environmental Health & Safety; Business Customer Service and Warehouse, Information Technology services and support, and Office of Talent and Inclusion (Human Resources). Information Technology & Administrative Services are vital to Valley Water operations and capital programs.

Office of COO IT and Administrative Services



Division Description and Objectives

The Office of the Chief Operating Officer (COO) of Information Technology & Administrative Services (IT & AS) provides executive leadership and direct oversight to administrative business areas including General Services, Information Technology, and Office of Talent and Inclusion (Human Resources) services and support. The Office of the COO - IT & AS is responsible for ensuring that administrative functions are operated efficiently and effectively, in accordance with the goals and policies established by the Board of Directors and the Chief Executive Officer. The COO - IT & AS also oversees Emergency & Security Services, administers Environmental, Health & Safety, and Diversity and Inclusion.

Emergency Services and Security

This department includes the Office of Emergency Services and the Security Office. The Office of Emergency Services (OES) is responsible for ensuring comprehensive, integrated, risk-based, emergency management for the staff and critical infrastructure of the Santa Clara Valley Water District. OES also leads District-wide development of applicable preparedness capabilities across prevention, preparedness, hazard mitigation, business continuity,

response, and recovery.

The Security Office (SO) provides risk-based security capabilities that are developed through a preparedness cycle of analysis, development, planning, and verification. These capabilities are provided utilizing guard force, patrols, remote monitoring capabilities, and a Security Operations Center to prevent and protect Valley Water's critical infrastructure and staff from terrorism, sabotage, vandalism, theft, violence, and other malicious acts. SO also provides Valley Water with a liaison to local, regional, state and federal law enforcement and intelligence agencies.

Environmental, Health & Safety

As part of Valley Water's Administration function, the Environmental, Health & Safety (EH&S) Unit provides services for all Valley Water Divisions and staff. These services cover a wide range of activities including environmental, health and safety written program development and maintenance, technical and behavioral safety training, incident investigation services, ergonomic evaluations and corrective measures, contractor safety program evaluation, inspection and audit services and support, hazard analysis and risk prevention services, fall protection surveys and fall hazard mitigation, Department of Transportation driver safety program, and alcohol and drug abuse prevention and testing services.The EH&S Unit also provides industrial hygiene services such as lead, asbestos, and mold testing services, building indoor air quality assessments and environmental lab testing services coordination, audiometric testing and workplace sound level surveys, respiratory protection services including on-site respiratory fit testing services, ventilation surveys, and bloodborne pathogens and biological hazard surveys and assessments.The EH&S Unit is responsible for hazardous materials storage management, hazardous waste storage and disposal management, electronic waste and recycling compliance and annual report submittal, underground and above ground storage tank inspections and permitting, Hazardous Materials Business Plans development and submittal, environmental regulatory facilities permit management, 24/7 hazardous materials emergency response capabilities, Spill Prevention Control and Countermeasure oil storage management planning development, California Accidental Release Program management for highly hazardous materials, Portable Equipment Registration Program management, gasoline systems annual air emissions testing coordination.

Additionally, the Environmental, Health and Safety (EH&S) Unit responds to requests from customers for specific health and safety services consultation and program assistance to ensure that Valley Water's health and safety programs are functional and sustainable. EH&S staff also act as Valley Water's liaison with applicable regulatory agencies when required.

Diversity and Inclusion

The Diversity and Inclusion Program strengthens Valley Water ability to effectively deliver innovative services and to attract, retain, recognize, and promote a diverse and talented workforce. through implementation of the Valley Water's new Diversity and Inclusion (D&I) Master Plan for FY2020 - FY2022. This program also administers the Employee Recognition Program and the All Employee Meeting and supports all 12 of Valley Water's Employee Resource Groups (ERGs) through both budget and staffing.

FY 2020 Accomplishments

- Provided leadership and support for all the administrative needs of Valley Water including oversight over Information Technology, General Services, Emergency Management and Security Services, and Environmental, Health & Safety Services. Accomplishments of the Information Technology, General Services, and Office of Talent and Inclusion (Human Resources) departments are listed within the budget sections of those departments. The following is the list of accomplishments for the Emergency Management and Security Services Department, the Environmental, Health & Safety Department, and the Diversity and Inclusion Program.
- Developed Pandemic and Infectious Disease Plan to support business continuity during public health emergency.
- Completed Annual Local Hazard Mitigation Plan status report produced.
- Established Threat Response/Active Shooter Awareness Program.
- Developed District Wide Security Plan.
- Established Emergency Steering Committee for Valley Water.
- Completed Annual District Threat Assessment Update.
- Coordinated EOC Activation for Coronavirus/COVID-19 Pandemic, EOC implemented virtually to support social distancing
- Supported multiple Water Utility Enterprise and Watersheds Field Operations projects by conducting risk assessments, providing training, conducting facility design reviews, aided in the planning and execution of pipe inspections at Santa Teresa Water Treatment Plant.
- Enhanced the current fall protection rescue protocols by providing new fall protection equipment.
- Arranged to have a qualified chemical vendor transport sulfuric acid between facilities to minimize the amount of hazardous waste generated.
- Updated and implemented a new Diversity and Inclusion Master Plan objectives and tactics to replace the existing Master Plan.
- Reported annually on the implementation progress of the Diversity and Inclusion Master Plan by June 30.

FY 2021 Milestones

- Review, approve, and present the status of Administrative Services quarterly performance.
- Develop and deliver exercises as identified in Training and Exercise Plan.
- Maintain the District's Emergency Operations Center (EOC) and Alternate EOC in a perpetual state of operational readiness.
- Develop plan to upgrade security system capabilities.
- Support FERC Anderson Dam Exercise.
- Implement Access Management Program for all Valley Water personnel.
- Conduct a minimum of 30 required safety training classes in-house by June 30.
- Conduct a minimum of 12 Job Safety Assessments by June 30.
- Provide quarterly updates to Valley Water's Safe Clean Water Project B5 webpage.
- Report annually on the implementation progress of the Diversity and Inclusion Master Plan by June 30.

Office of COO IT and Administrative Services — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	8,751,647	9,712,598	12,378,959	2,666,360	27%
Operating Project	0	0	0	0	0%
Capital	13,293	106,002	3,347	(102,655)	-97%
Total *	**8,764,940**	**9,818,601**	**12,382,306**	**2,563,705**	**26%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Environmental, Health & Safety	3,575,322	3,516,841	3,776,877	260,036	7%
Emergency Services & Security	4,366,767	5,241,835	6,755,232	1,513,397	29%
Office of COO-IT & Administrative Services	822,851	1,059,924	1,850,196	790,272	75%
Total *	**8,764,940**	**9,818,601**	**12,382,306**	**2,563,705**	**26%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of COO IT and Administrative Services - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**23**	**20**	**22**	**2**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

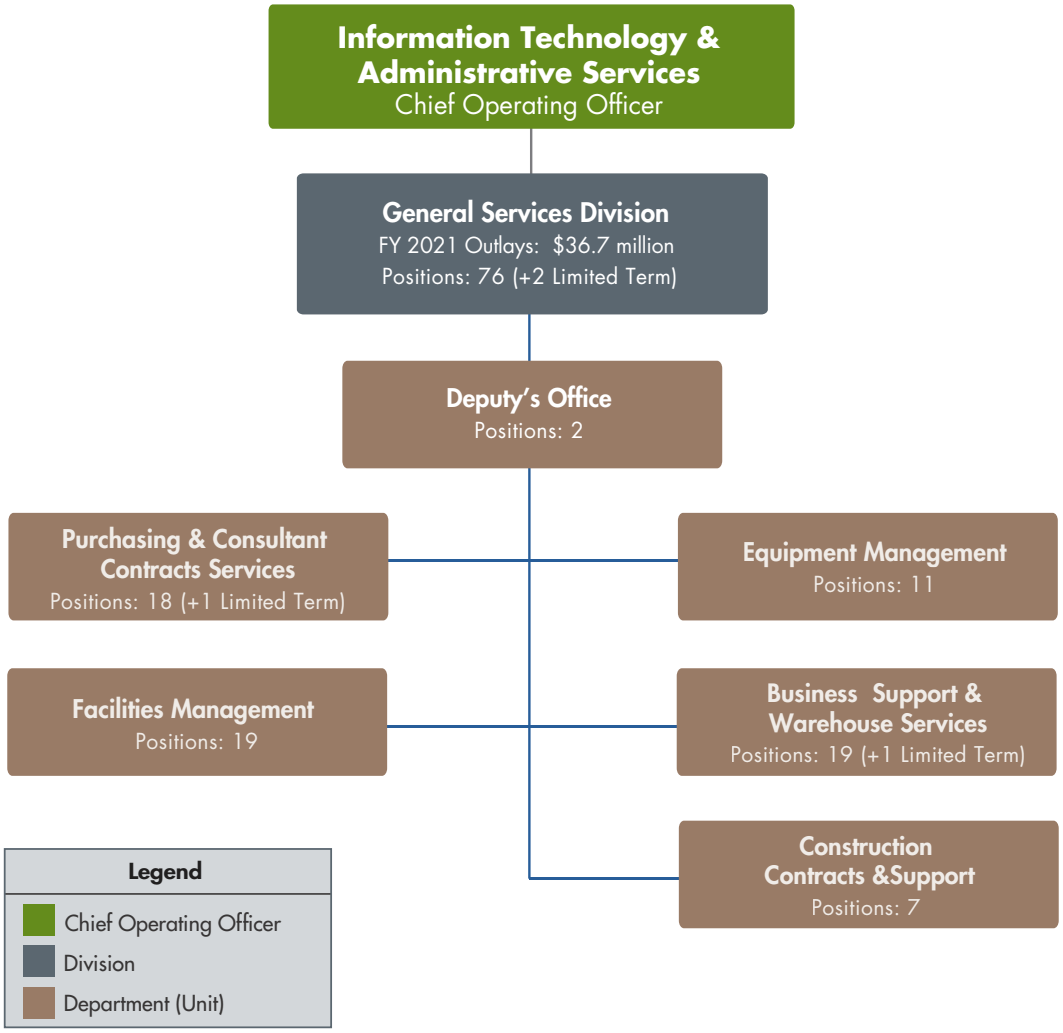
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Emergency Services & Security					
	Salaries & Benefits	1,593,122	1,578,936	1,705,584	126,648
	Services & Supplies	2,079,892	2,951,837	4,371,000	1,419,163
	Capital Expenditures	7,809	0	0	0
	Intra District Charges	675,105	605,060	675,301	70,240
Emergency Services & Security (219) Total		**4,355,929**	**5,135,833**	**6,751,885**	**1,616,052**
Office of COO-IT & Administrative Services					
	Salaries & Benefits	546,577	723,224	1,199,118	475,894
	Services & Supplies	159,749	237,850	456,650	218,800
	Intra District Charges	116,526	98,850	194,428	95,578
Office of COO-IT & Administrative Services (602) Total		**822,851**	**1,059,924**	**1,850,196**	**790,272**
Environmental, Health & Safety					
	Salaries & Benefits	1,749,910	1,772,749	1,895,877	123,129
	Services & Supplies	805,065	808,121	846,721	38,600
	Intra District Charges	1,017,892	935,971	1,034,279	98,307
Environmental, Health & Safety (916) Total		**3,572,867**	**3,516,841**	**3,776,877**	**260,036**
Operations Total*		**8,751,647**	**9,712,598**	**12,378,959**	**2,666,360**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Emergency Services & Security					
	Salaries & Benefits	0	3,850	2,128	(1,722)
	Services & Supplies	10,838	100,000	0	(100,000)
	Intra District Charges	0	2,152	1,219	(933)
Emergency Services & Security (219) Total		**10,838**	**106,002**	**3,347**	**(102,655)**
Environmental, Health & Safety					
	Salaries & Benefits	1,506	0	0	0
	Intra District Charges	949	0	0	0
Environmental, Health & Safety (916) Total		**2,455**	**0**	**0**	**0**
Capital Total*		**13,293**	**106,002**	**3,347**	**(102,655)**
Division Total*		**8,764,940**	**9,818,601**	**12,382,306**	**2,563,705**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

General Services Division



Division Description and Objectives

The General Services Division provides management and administration of the following departments:

Construction Contracts and Support

Construction Contracts and Support Department provides analytical support for both Water Utility Enterprise and Watershed capital projects including benchmarking and status reports. Runs the advertise and award process for all public works projects over $50,000 and provides support during construction.

Business Support, and Warehouse Services

Business Support & Warehouse Department provides operational support including switchboard, mail delivery, reprographic, word processing, forms, and inventory control services. It serves as the central receiving and distribution point for the organization.

Purchasing and Consultant Contracts Services

Purchasing, Consultant Contract Department provides strategic and technical sourcing for the purchase and acquisition of all goods, services, consulting services and contracts. Manages the competitive solicitations for all goods and services exceeding $50,000 and consulting and contract services exceeding $225,000 and provides guidance for contract administration and support.

Equipment Management

Equipment Management Department provides District-wide fleet and welding services.

Facilities Management

Facilities Management Department maintains, renews, and upgrades Valley Water buildings and grounds.

FY 2020 Accomplishments

- The Construction Contracts and Support Department developed monthly status reports for construction projects; advertised/bided/awarded for 10 projects with a construction value of over $750M.
- The Business Support and Warehouse Department increase business support efficiency by implementing several solutions to services such as Proxy Click for digitally checking in visitors at the front desks, creating an online portal for ordering business cards, and implementing a package receiving and delivery application for packages.
- The Purchasing and Consultant Contracts Department continued to implement new electronic Purchase Requisition forms and eFiling processes. Hosted a Business Open House in August 2019 to encourage networking of small and large businesses, and local business community designed to share information on upcoming business opportunities in support of Valley Water projects and programs. Implemented the new Contract Process Improvements in order to streamline and reduce time requirements for contract processing and approvals. Implemented new ERP (Infor), in order to benefit Valley Water operations and improve management practices.
- The Equipment Management Department surpluses replaced 11 vehicles and 2 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria, and achieved 97.9% preventive maintenance compliance on light duty vehicles. Provided Fleet Management oversight effectively meeting district needs using industry best practices. Met CARB diesel emission replacement requirements ahead of mandate.
- The Facilities Department moved 110-staff from the Maintenance Building to the Administration Building; upgraded Electric Vehicle charging stations, for a total of 12 chargers, one ADA accessible and two fast chargers to the Almaden Campus; completed upgrades to the Cafeteria; selected a new vending services provider; and completed conference room upgrades.

FY 2021 Milestones

Highlights of the General Services Division milestones include the following.

- The Construction Contracts and Support Department will manage Construction Advertise and Award process for all Capital projects.
- The Business Services Support & Warehouse Department will produce high quality reprographics and word processing deliverables per customer deadlines.continue to create efficiencies by fully implementing an e-forms system to electronically route and sign internal forms and implement Infor, our new ERP System for our supply chain and inventory services.
- Purchasing and Contracts Services Department will continue to host the annual Business Open House and continue to promote the District's business opportunities at vendor outreach events.
- The Equipment Management Department will surplus and replace 16 vehicles and 2 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- The Facilities Management Department will continue maximizing workspace to achieve operational efficiencies; implement water, energy & regulatory compliance; plan a new On-Call (Mechanical, Electrical and Plumbing) Consultant Contract for Almaden and various off-site locations project design and construction management support.

Budget Issues and Constraints

Constraints of the General Services Division include funding to address deferred small capital projects. Valley Water's facilities are fully occupied thus there is no extra space to locate new employees. This constraint on the space requires that Valley Water consider new approaches taking into consideration cost of adding new work space, use of technology, new approaches to work to maximize efficiencies. Additional constraints include uncertainty of fuel costs, unexpected natural disasters such as flooding or wildfires to provide support to field operations.

General Services Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	20,641,043	24,143,243	26,796,328	2,653,085	11%
Operating Project	22,059	0	6,621	6,621	0%
Capital	7,107,804	7,217,561	9,850,874	2,633,313	36%
Total *	**27,770,907**	**31,360,804**	**36,653,823**	**5,293,019**	**17%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Purchasing, Consultant Contracts Services	4,716,300	4,786,413	5,548,579	762,166	16%
Business Support and Warehouse	3,816,173	5,132,406	6,001,098	868,692	17%
Facilities Management	9,919,533	10,563,694	12,914,841	2,351,147	22%
Deputy's Office of General Services Division	344,353	535,518	562,497	26,980	5%
Construction Contracts and Support	2,963,107	3,032,272	2,661,757	(370,515)	-12%
Equipment Management	6,011,442	7,310,501	8,965,050	1,654,549	23%
Total *	**27,770,907**	**31,360,804**	**36,653,823**	**5,293,019**	**17%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

General Services Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**75**	**76**	**76**	**0**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

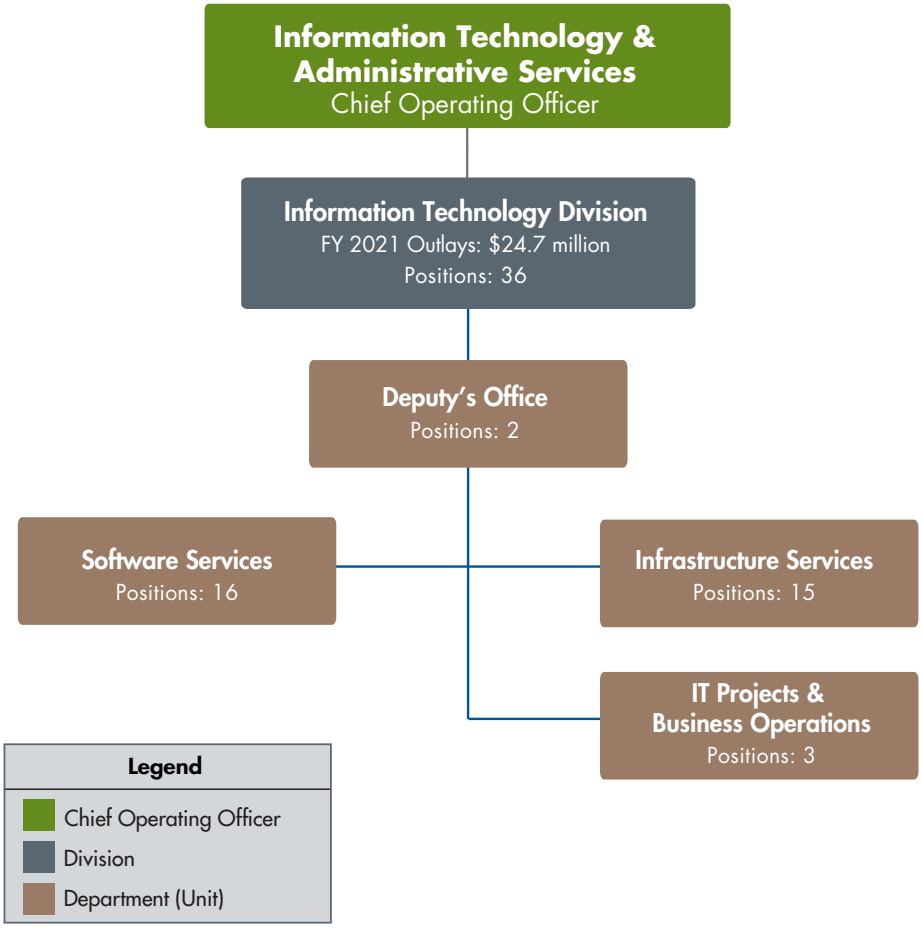
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Construction Contracts and Support					
	Salaries & Benefits	68,446	26,824	6,904	(19,920)
	Services & Supplies	675	0	0	0
	Intra District Charges	27,335	3,653	1,113	(2,541)
Construction Contracts and Support (335) Total		**96,456**	**30,477**	**8,017**	**(22,461)**
Business Support and Warehouse					
	Salaries & Benefits	2,196,898	2,707,351	3,047,130	339,779
	Services & Supplies	1,113,243	1,726,088	1,922,138	196,050
	Intra District Charges	504,646	688,174	825,832	137,658
	Capital Expenditures	144	0	0	0
Business Support and Warehouse (775) Total		**3,814,930**	**5,121,613**	**5,795,100**	**673,487**
Deputy's Office of General Services Division					
	Salaries & Benefits	293,094	462,347	464,502	2,154
	Services & Supplies	601	10,100	22,400	12,300
	Intra District Charges	50,657	63,070	75,596	12,525
Deputy's Office of General Services Division (802) Total		**344,353**	**535,518**	**562,497**	**26,980**
Purchasing, Consultant Contracts Services					
	Salaries & Benefits	3,032,674	3,399,098	3,572,069	172,971
	Services & Supplies	918,965	676,414	942,694	266,280
	Intra District Charges	750,659	678,196	580,125	(98,071)
Purchasing, Consultant Contracts Services (820) Total		**4,702,297**	**4,753,707**	**5,094,887**	**341,180**
Equipment Management					
	Salaries & Benefits	1,735,851	1,818,340	1,934,832	116,492
	Services & Supplies	1,496,238	2,366,700	2,548,500	181,800
	Intra District Charges	997,713	928,462	1,003,719	75,257
Equipment Management (885) Total		**4,229,802**	**5,113,501**	**5,487,050**	**373,549**
Facilities Management					
	Salaries & Benefits	2,754,296	3,116,326	3,607,177	490,851
	Services & Supplies	4,108,163	4,767,664	5,399,995	632,331
	Intra District Charges	495,713	584,437	728,226	143,789
	Capital Expenditures	117,092	120,000	120,000	0
Facilities Management (887) Total		**7,475,264**	**8,588,427**	**9,855,398**	**1,266,971**
Operations Total*		**20,663,103**	**24,143,243**	**26,802,950**	**2,659,707**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Construction Contracts and Support					
	Salaries & Benefits	1,754,572	1,912,561	1,475,395	(437,166)
	Services & Supplies	30,588	32,350	368,000	335,650
	Intra District Charges	1,081,491	1,056,884	810,346	(246,538)
Construction Contracts and Support (335) Total		**2,866,651**	**3,001,795**	**2,653,740**	**(348,054)**
Business Support and Warehouse					
	Salaries & Benefits	1,123	7,068	144,488	137,419
	Services & Supplies	50	0	0	0
	Intra District Charges	69	3,725	61,510	57,785
Business Support and Warehouse (775) Total		**1,243**	**10,794**	**205,998**	**195,204**
Purchasing, Consultant Contracts Services					
	Salaries & Benefits	14,785	11,573	199,475	187,902
	Intra District Charges	(782)	21,133	254,217	233,084
Purchasing, Consultant Contracts Services (820) Total		**14,002**	**32,706**	**453,692**	**420,986**
Equipment Management					
	Salaries & Benefits	1,667	0	0	0
	Services & Supplies	0	60,000	80,000	20,000
	Capital Expenditures	1,779,973	2,137,000	3,398,000	1,261,000
Equipment Management (885) Total		**1,781,640**	**2,197,000**	**3,478,000**	**1,281,000**
Facilities Management					
	Salaries & Benefits	58,164	28,811	29,801	991
	Services & Supplies	1,206,047	1,929,690	3,012,000	1,082,310
	Intra District Charges	9,087	16,766	17,642	876
	Capital Expenditures	1,170,970	0	0	0
Facilities Management (887) Total		**2,444,269**	**1,975,267**	**3,059,443**	**1,084,177**
Capital Total*		**7,107,804**	**7,217,561**	**9,850,874**	**2,633,313**
Division Total*		**27,770,907**	**31,360,804**	**36,653,823**	**5,293,019**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Information Technology Division



Division Description and Objectives

The Information Technology Division serves the technology needs of Valley Water, enabling business users to carry out their work efficiently, effectively, and securely. We do so by providing planning, design, and operational support and maintenance of Valley Water's: (1) physical technology infrastructure; (2) cyber security posture; and (3) software application portfolio.

The Division's objectives are:

- Effectively manage the delivery of Valley Water's technology services;
- Guide technology decision-making to ensure consistency with Valley Water's business direction;
- Ensure a skilled, responsive, and innovative workforce that keeps current with critical evolving business technologies; and
- Provide high quality customer service.

Administration

The Information Technology Division Administration provides management oversight, leadership and strategic support of Infrastructure and Information Security Services, and Software Services, to ensure effectiveness and fiscal accountability.

Infrastructure Services

Infrastructure Services is responsible for: (1) implementing and maintaining the network and data center, cyber security posture, Valley Water's computers, systems software, and connectivity (e.g., servers, networks, etc.); (2) serving as the first point of contact for staff to report problems and seek answers to questions related to their personal computers, network access, email, personal productivity software, and business application software; and (3) triaging, resolving, and escalating problems.

Software Services

Software Services sources, develops (where appropriate), supports, and maintains Valley Water's business applications. These include Enterprise Resources Planning (ERP) system, work and asset management system (Maximo), geographic information system (GIS), in-house applications, and Valley Water's web site and intranet.

FY 2020 Accomplishments

- Began to implement IT Strategic Plan. Approx. 2/3 of the 3-year program goals are in progress or complete.
- Completed RFP for new the Enterprise Resource Planning System (ERP) and began implementation.
- Provided management support for the operational work of the Units.
- Evaluated desktop and web application needs and provided numerous self-service solutions (Ongoing).
- Kicked off design and implementation of Infor ERP to replace Peoplesoft, CAS, Dupont, and 20 other systems.
- Released complete redesign of Watersheds Site within Maximo.
- EM-IMS Phase 2: Worked with Environmental Mitigation and Monitoring Unit to develop application according to business requirements for Vegetation in APEX by Dec 31, 2019.
- Mobilized workforce in support of COVID19 efforts including, roll out collaboration suite software, deployment of over 600 computers, 520 Smartphones, Docusign and other tools.
- Implemented wireless networks at Penitencia.
- Refreshed 25% of District's desktop and laptop computers.
- Completed E-Discovery Capital Project.

FY 2021 Milestones

- Implement IT Strategic Plan: (1) Complete the creation of IT Governance structure; (2) Implement Business-IT Liaison program; (3) Develop a communication strategy and plan, and work with division staff to execute; (4) Provide management oversight and support for other projects in the IT Strategic Plan as they are executed by the Infrastructure and Software Services Units of the Division.
- Continue providing support for the new ERP for Finance, Human Resources, Purchasing and Contract Services.
- Provide management support for the operational work of the Units.

- Evaluate desktop and web application needs and provide solutions. Ongoing.
- Complete rollout of Infor ERP to all departments.
- Finalize and implement GIS long-term strategy.
- Implement Mobile Maximo for asset management in the field.
- Implement Disaster Recovery Plan and Technologies.
- Complete POC of Water Utility Server Virtualization.
- Complete conversion to Voice Over IP Telephones.
- Complete conversion of majority of Valley Water staff to mobile devices.

Budget Issues and Constraints

- Organizational willingness and readiness to change business processes to leverage the new technology, and to jointly own technology projects with the IT Division.
- Valley Water is many years behind on Information Technology. A combination of a lack of human resources combined with a large amount of technical debt (requirements to support legacy, dated and overlapping applications) creates staffing challenges for modernization projects.

Information Technology Division — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	14,706,058	17,710,740	19,302,708	1,591,967	9%
Operating Project	19,280	10,181	0	(10,181)	-100%
Capital	3,899,626	4,252,076	5,439,624	1,187,548	28%
Total *	**18,624,965**	**21,972,998**	**24,742,331**	**2,769,334**	**13%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Software Services	7,662,890	8,875,409	5,436,981	(3,438,427)	-39%
Infrastructure Services	9,785,370	12,025,820	13,170,768	1,144,949	10%
Deputy's Office of IT Division	1,176,705	1,071,769	5,200,397	4,128,628	385%
IT Projects & Business Operations	0	0	934,185	934,185	385%
Total *	**18,624,965**	**21,972,998**	**24,742,331**	**2,769,334**	**13%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Information Technology Division - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**37**	**36**	**36**	**0**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

Operations Budget by Department and Account Category

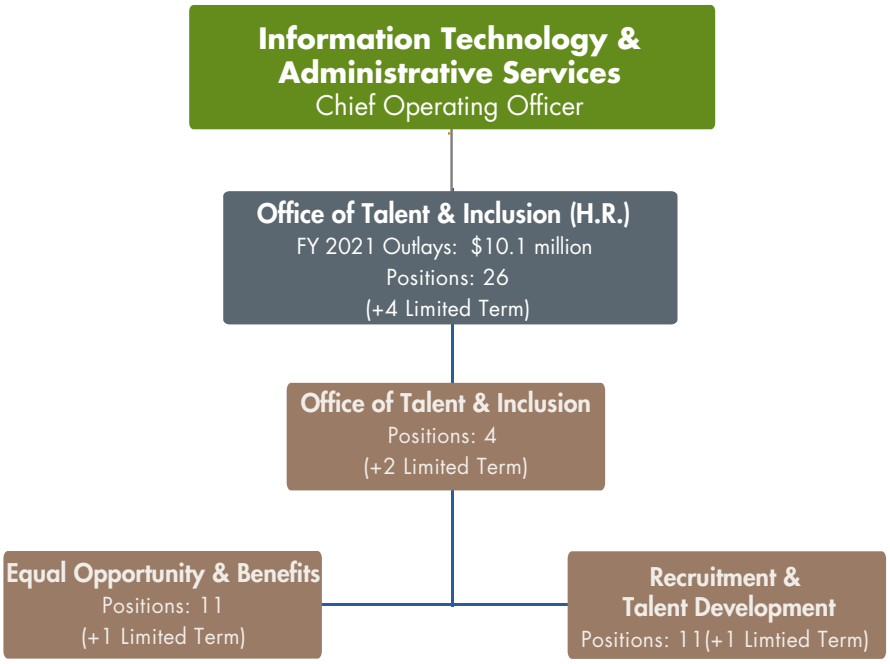
Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of IT Division					
	Salaries & Benefits	843,959	1,093,130	472,793	(620,337)
	Services & Supplies	43,529	139,850	236,500	96,650
	Intra District Charges	373,528	484,890	202,009	(282,881)
Deputy's Office of IT Division (715) Total		**1,261,015**	**1,717,870**	**911,302**	**(806,568)**
Software Services					
	Salaries & Benefits	3,110,935	3,183,446	3,347,887	164,441
	Services & Supplies	1,435,727	2,836,478	3,826,907	990,429
	Intra District Charges	1,488,394	1,421,605	1,432,528	10,923
Software Services (725) Total		**6,035,057**	**7,441,530**	**8,607,322**	**1,165,793**
Infrastructure Services					
	Salaries & Benefits	2,558,542	2,592,106	2,849,265	257,159
	Services & Supplies	3,649,754	4,840,460	4,794,566	(45,894)
	Intra District Charges	1,220,829	1,128,956	1,206,067	77,111
	Capital Expenditures	141	0	0	0
Infrastructure Services (735) Total		**7,429,267**	**8,561,522**	**8,849,898**	**288,377**
IT Projects & Business Operations					
	Salaries & Benefits	0	0	640,127	640,127
	Services & Supplies	0	0	11,000	11,000
	Intra District Charges	0	0	283,058	283,058
IT Projects & Business Operations (745) Total		**0**	**0**	**934,185**	**934,185**
Operations Total*		**14,725,339**	**17,720,922**	**19,302,708**	**1,581,786**

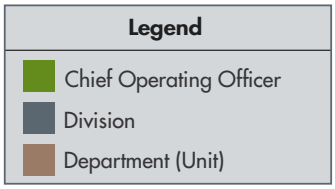
Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Deputy's Office of IT Division					
	Salaries & Benefits	(60,663)	0	0	0
	Services & Supplies	27,699	(646,101)	4,289,095	4,935,196
	Intra District Charges	(51,345)	0	0	0
Deputy's Office of IT Division (715) Total		**(84,309)**	**(646,101)**	**4,289,095**	**4,935,196**
Software Services					
	Salaries & Benefits	161,406	924,182	329,398	(594,785)
	Services & Supplies	1,180,854	283,671	(3,745,054)	(4,028,725)
	Capital Expenditures	204,600	100,000	100,000	0
	Intra District Charges	80,973	126,026	145,315	19,290
Software Services (725) Total		**1,627,833**	**1,433,879**	**(3,170,341)**	**(4,604,220)**
Infrastructure Services					
	Salaries & Benefits	141,636	304,095	211,623	(92,471)
	Services & Supplies	471,926	1,115,083	348,737	(766,347)
	Capital Expenditures	1,673,135	1,906,400	3,671,000	1,764,600
	Intra District Charges	69,406	138,720	89,510	(49,210)
Infrastructure Services (735) Total		**2,356,103**	**3,464,298**	**4,320,870**	**856,572**
Capital Total*		**3,899,626**	**4,252,076**	**5,439,624**	**1,187,548**
Division Total*		**18,624,965**	**21,972,998**	**24,742,331**	**2,769,334**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of Talent and Inclusion





Division Description and Objectives

The Office of Talent & Inclusion (Human Resources) Division is responsible for planning, managing, directing and coordinating Division staff and providing District-wide assistance in the areas of human resources. The Division includes functional units and the following programs: Human Resources Systems Management, Ethics and Equal Opportunity, Benefits and Wellness, Reasonable Accommodation, and Diversity and Inclusion, Recruitment and Examination, Classification and Compensation, Talent Development, Succession Planning, and Rotation.

Human Resource Systems Management

This program has ownership of HR technology to align technology strategy with key HR and Valley Water goals by providing technology planning and support for all HR programs, and will lead and drive efforts for continuous improvement by selecting technology that facilitates sharing of data across multiple systems and ensuring that the selected technology is leveraged to improve efficiency, effectiveness and add value.

Ethics and Equal Opportunity

Ethics and Equal Opportunity Program (EEOP) implements Valley Water's Equal Opportunity complaint resolution process and is designed to ensure that Valley Water is free from discrimination, harassment, disparate treatment, and retaliation based on race, gender, age, religion, and other protected categories. This program also helps ensure Valley Water policies and practices support an ethical and accountable business culture, and sustains the highest standards of ethical conduct by employees in all Valley Water dealings.

The EEOP implements, monitors, and provides oversight for compliance with mandated Ethics training for Form 700 filers (AB 1234) and the mandated Sexual Harassment Prevention training for Valley Water managers, supervisors and leads (AB 1825) and all employees (SB 1343).

Benefits and Wellness

This program is responsible for the administration of employee and retiree benefit plans, conducting new hire orientations and separations, processing payroll and HR transactions, and administration of the award- winning Wellness Program (includes fitness reimbursement, ongoing employee education on overall various health initiatives, annual well-being fair, lunch and learns, employee rewards, etc.)

Reasonable Accommodation

The Reasonable Accommodation Program ensures District-wide compliance with state and federal laws regarding reasonable accommodations for staff and qualified applicants with physical and/or psychological disabilities, including: The Federal Americans with Disabilities Act (ADA), The ADA Amendments Act (ADAAA) and California's Fair Employment and Housing Act (FEHA).

Recruitment and Examination

This program includes Recruitment & Examination for all full time Valley Water positions, in addition to leading and directing the Internship Programs, and Classification & Compensation administering the temporary staffing program. , and is responsible for providing oversight of the recruitment and selection processes district-wide including year round and summer internship programs, In addition to the partnering with community organizations and colleges for workforce planning.

Talent Development, Succession Planning and Rotation

This program administers the District-wide Talent Development Program and Rotation Programs established to provide a capable workforce by meeting the training and professional development needs of Valley Water. The program will equip employees with the tools to promote continuous learning and professional growth. The program also provides leadership development and leadership consultations, performance management training, succession development, general training and general training consultations. The program also administers the Learning Management System (LMS) which hosts training data, Health & Safety training data, and other compliance related

data.

FY 2020 Accomplishments

During FY 2020, the Office of the Talent and Inclusion Division completed the following activities:

- Lead HR InForAll Team through documentation of current processes, system training/plannng/configuration for each module.
- Worked with ERP project team to increase User adoption of ERP.
- Completed an inventory of HR technology.
- Conduct bi-annual AB-1234 training by December 2019.
- Manage the Leadership Programs (Supervisory, Leads Academy, etc.) by June 2020.
- Implement new Coaching/Mentoring program by June 2020.
- Processed all annual health plan renewals and coordinate open enrollment.
- Coordinated and processed the annual flexible spending account (FSA) open enrollment.
- Developed and coordinated onsite wellness activities and programs.
- Provided Annual Disparate Impact Analysis Report raw data to external consultant for analysis.
- Partnered with Hiring Managers to hire and promote qualified candidates.
- Established on-call recruitment service partnerships to aide in filling vacancies.
- Implemented Seamless.gov for recruitment signoffs.
- Manage the Leadership Programs (e.g., Supervisory, Leads Academy, etc.).
- Conducted Employee Development Performance Program (EDPP) reviews with all Human Resources Department managers by July 31 to establish goals, February for Mid-year Reviews, and August for Year End evaluations.

FY 2021 Milestones

- Lead HR InForAll Team through all phases of ERP project until full setup and implementation.
- Executive Summary to management by June 30, 2021.
- Conduct Ethics Training by December 2020.
- Conduct Annual Form 700 filing process by April 2021.
- Process all annual health plan renewals and coordinate open enrollment for all active employees, board of directors, retirees and COBRA participants by April 1, 2021.
- Coordinate and process the annual flexible spending account (FSA) open enrollment for all active employees and board of directors by January 1, 2021.
- Provide Annual Disparate Impact Analysis Report raw data to external consultant for analysis each calendar year by October 2021
- Conduct Employee Development Performance Program (EDPP) reviews with all Human Resources unit managers and direct reports by July to establish goals, February for Mid-Year Reviews, and August for Year End Reviews.
- Manage the Leadership Programs (Supervisory, Leads Academy, etc.) by June 2021.

Office of Talent and Inclusion — Budget Summary

Project Type (Category)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Operations	7,350,484	9,674,393	9,068,576	(605,817)	-6%
Capital	52,021	0	1,003,786	1,003,786	0%
Total *	**7,402,505**	**9,674,393**	**10,072,362**	**397,969**	**4%**

Department (Unit)	FY 2019 Budgetary Actuals	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Change $	FY 2021 Change %
Equal Opportunity & Benefits	273,882	1,703,675	3,104,359	1,400,684	82%
Recruitment and Talent Development	0	0	5,539,767	5,539,767	82%
Employee Recruitment and Benefits	2,934,944	0	0	0	82%
Office of Talent & Inclusion	3,241,381	7,970,718	1,428,236	(6,542,482)	-82%
Workforce Development	952,298	0	0	0	-82%
Total *	**7,402,505**	**9,674,393**	**10,072,362**	**397,969**	**4%**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2019 and FY 2020 department expenditures are presented according to the FY 2021 Division Organizational Chart.

Office of Talent and Inclusion - Position Summary

	FY 2019 Adjusted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2021 Position Change
Authorized Positions**	**26**	**28**	**26**	**(2)**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2019 and FY 2020 positions count lists all positions in the division budget according to the FY 2021 Division Organizational Chart.

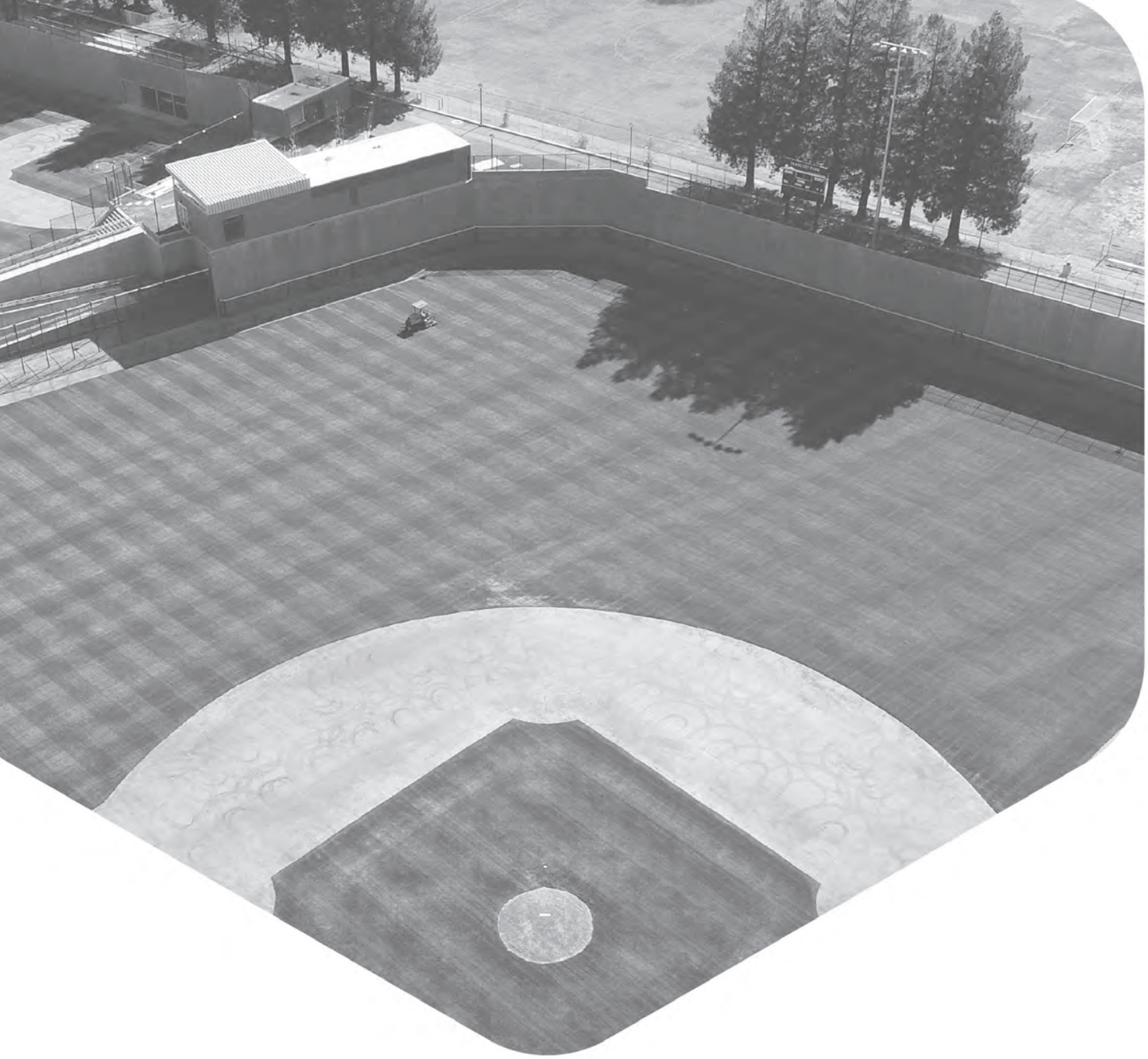
Operations Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Workforce Development					
	Salaries & Benefits	421,508	0	0	0
	Services & Supplies	488,431	0	0	0
	Intra District Charges	42,360	0	0	0
Workforce Development (623) Total		**952,298**	**0**	**0**	**0**
Office of Talent & Inclusion					
	Salaries & Benefits	2,647,990	4,582,259	933,381	(3,648,878)
	Services & Supplies	371,269	2,780,800	72,900	(2,707,900)
	Intra District Charges	216,051	607,659	148,355	(459,304)
	Capital Expenditures	6,071	0	0	0
Office of Talent & Inclusion (915) Total		**3,241,381**	**7,970,718**	**1,154,636**	**(6,816,082)**
Equal Opportunity & Benefits					
	Salaries & Benefits	260,069	1,027,838	2,219,969	1,192,132
	Services & Supplies	3,650	533,300	322,600	(210,700)
	Intra District Charges	10,163	142,537	351,688	209,151
Equal Opportunity & Benefits (919) Total		**273,882**	**1,703,675**	**2,894,257**	**1,190,582**
Recruitment and Talent Development					
	Salaries & Benefits	0	0	2,120,169	2,120,169
	Services & Supplies	0	0	2,556,850	2,556,850
	Intra District Charges	0	0	342,664	342,664
Recruitment and Talent Development (926) Total		**0**	**0**	**5,019,683**	**5,019,683**
Employee Recruitment and Benefits					
	Salaries & Benefits	1,565,054	0	0	0
	Services & Supplies	1,037,791	0	0	0
	Intra District Charges	280,078	0	0	0
Employee Recruitment and Benefits (927) Total		**2,882,923**	**0**	**0**	**0**
Operations Total*		**7,350,484**	**9,674,393**	**9,068,576**	**(605,817)**

Capital Budget by Department and Account Category

Department	Account Category	FY 2019 Budgetary Actual	FY 2020 Adopted $	FY 2021 Adopted $	FY 2021 Change $
Office of Talent & Inclusion					
	Salaries & Benefits	0	0	188,951	188,951
	Intra District Charges	0	0	84,649	84,649
Office of Talent & Inclusion (915) Total		**0**	**0**	**273,599**	**273,599**
Equal Opportunity & Benefits					
	Salaries & Benefits	0	0	145,515	145,515
	Intra District Charges	0	0	64,587	64,587
Equal Opportunity & Benefits (919) Total		**0**	**0**	**210,102**	**210,102**
Recruitment and Talent Development					
	Salaries & Benefits	0	0	358,919	358,919
	Intra District Charges	0	0	161,165	161,165
Recruitment and Talent Development (926) Total		**0**	**0**	**520,084**	**520,084**
Employee Recruitment and Benefits					
	Salaries & Benefits	34,346	0	0	0
	Intra District Charges	17,675	0	0	0
Employee Recruitment and Benefits (927) Total		**52,021**	**0**	**0**	**0**
Capital Total*		**52,021**	**0**	**1,003,786**	**1,003,786**
Division Total*		**7,402,505**	**9,674,393**	**10,072,362**	**397,969**

* Totals reflect the gross budget and includes intra-district reimbursement charges.



Fund Summaries

FY 2020–21
Operating and Capital Budget

WATERSHED MANAGEMENT FUNDS

Fund Summaries

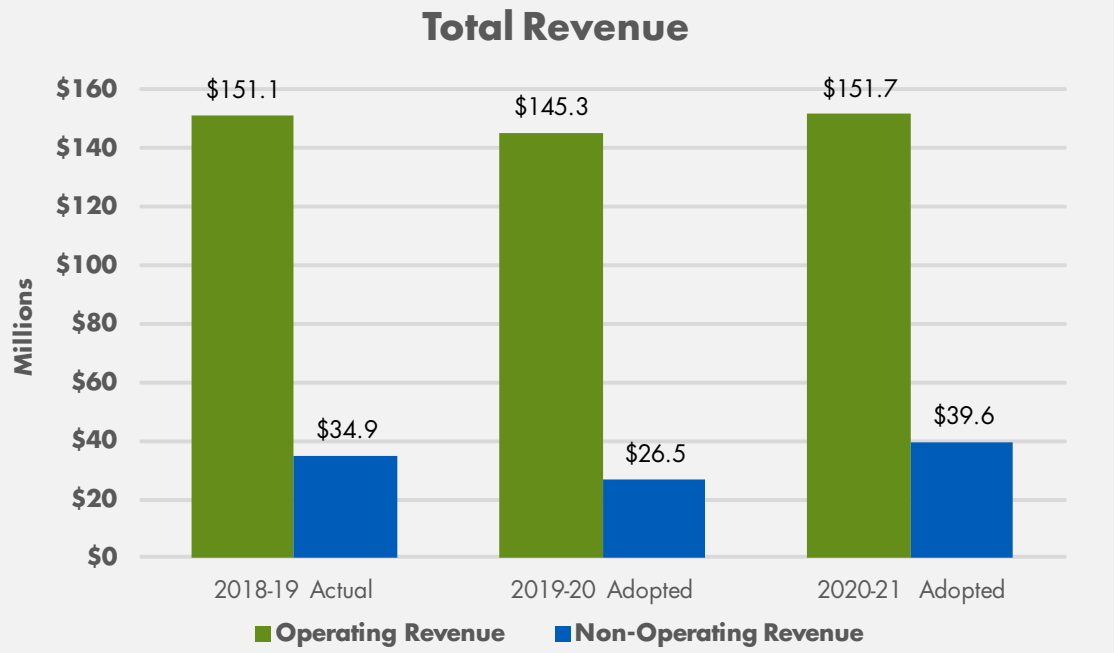
Overview

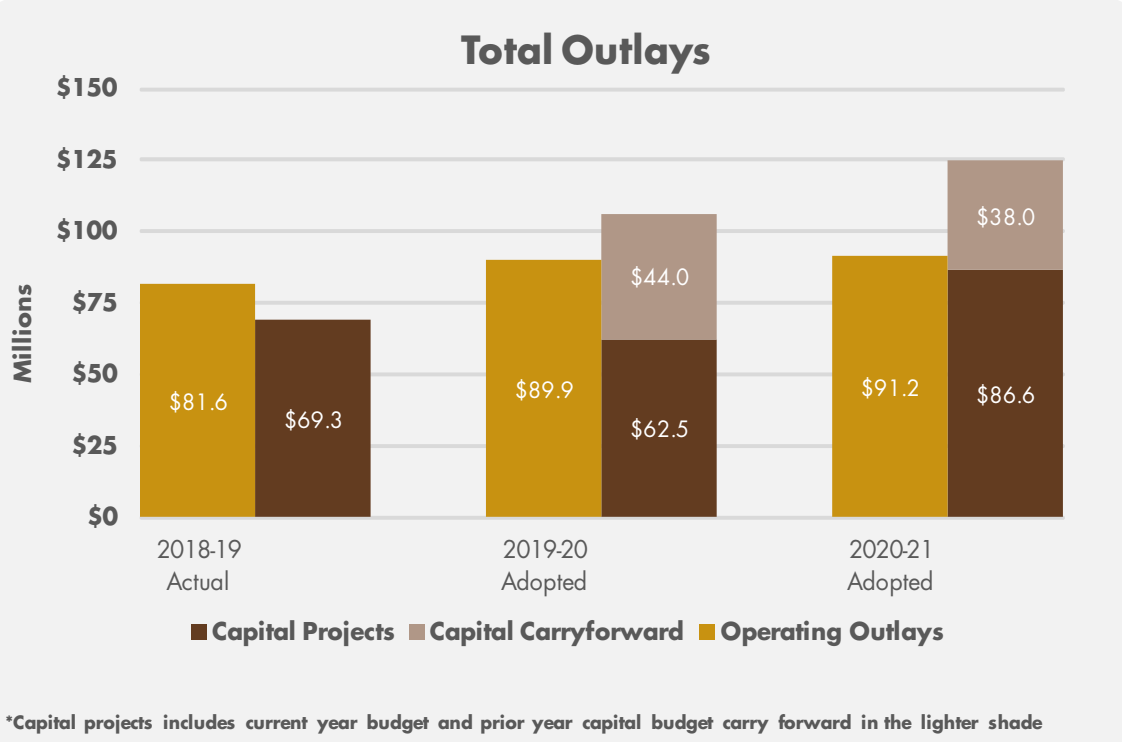
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship program with three funding sources:

- Watershed and Stream Stewardship (Fund 12)
- Safe, Clean Water and Natural Flood Protection (Fund 26)
- Benefit Assessment Funds (Fund 21, 22, 23, 24 and 25)

Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

Watershed Management Funds





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Watershed Management Funds Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 14,746,505	$ 13,444,678	$ 13,444,678	$ 12,369,217	$ (1,075,461)	(8.0)%
Property Tax	90,726,811	86,087,955	91,119,811	93,520,000	7,432,045	8.6%
Parcel Tax	44,127,352	45,537,000	45,537,000	45,537,000	—	—
Intergovermental Services	1,342,923	—	—	—	—	—
Operating Other	158,630	247,000	247,000	254,410	7,410	3.0%
Total Operating Revenue	**$ 151,102,221**	**$ 145,316,633**	**$ 150,348,489**	**$ 151,680,627**	**$ 6,363,994**	**4.4%**
Non-Operating Revenue						
Capital Reimbursements	$ 25,524,483	$ 20,762,000	$ 39,805,000	$ 32,250,000	$ 11,488,000	55.3%
Interest Income *	6,893,144	4,390,000	6,850,000	5,950,000	1,560,000	35.5%
Non-Operating Other	2,438,460	1,366,000	1,366,374	1,407,421	41,421	3.0%
Total Non-Operating Revenue	**$ 34,856,087**	**$ 26,518,000**	**$ 48,021,374**	**$ 39,607,421**	**$ 13,089,421**	**49.4%**
TOTAL REVENUE	**$ 185,958,308**	**$ 171,834,633**	**$ 198,369,863**	**$ 191,288,048**	**$ 19,453,415**	**11.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 63,746,561	$ 69,626,224	$ 73,070,830	$ 73,084,109	$ 3,457,885	5.0%
Operating Project	5,991,916	5,995,559	11,995,559	5,240,630	(754,929)	(12.6)%
Debt Service	11,854,328	14,254,809	14,254,809	12,911,367	(1,343,442)	(9.4)%
Total Operating Outlays	**$ 81,592,805**	**$ 89,876,592**	**$ 99,321,198**	**$ 91,236,106**	**$ 1,359,514**	**1.5%**
Capital Outlays						
Capital Projects	$ 69,266,692	$ 62,455,317	$ 161,547,407	$ 86,603,149	$ 24,147,832	38.7%
Carry Forward Capital Projects	—	43,996,000	—	37,987,340	(6,008,660)	(13.7)%
Total Capital Outlays	**$ 69,266,692**	**$ 106,451,317**	**$ 161,547,407**	**$ 124,590,489**	**$ 18,139,172**	**17.0%**
TOTAL OUTLAYS****	**$ 150,859,497**	**$ 196,327,909**	**$ 260,868,605**	**$ 215,826,595**	**$ 19,498,686**	**9.9%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 3,581,547	$ —	$ 2,040,459	$ —	$ —	—
Transfers In	5,618,227	20,866,330	21,534,113	13,172,427	(8,791,507)	(42.1)%
Transfers Out	(9,062,587)	(23,754,530)	(24,380,959)	(20,485,263)	4,366,871	(18.4)%
TOTAL OTHER SOURCES/(USES)	**$ 137,187**	**$ (2,888,200)**	**$ (806,387)**	**$ (7,312,836)**	**$ (4,424,636)**	**153.2%**
BALANCE AVAILABLE	**$ 35,235,998**	**$ (27,381,476)**	**$ (63,305,129)**	**$ (31,851,383)**	**$ (4,469,907)**	**16.3%**

Watershed Management Funds Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
CP Debt Service	$ 98,384	$ —	$ —	$ —	$ —	—
SCW Currently Authorized Projects	109,087,781	25,418,000	55,566,655	22,477,299	(2,940,701)	(11.6)%
SCW Operating and Capital Reserve	48,558,698	90,654,986	64,059,172	57,903,219	(32,751,767)	(36.1)%
Total Restricted Reserves	**$ 157,744,863**	**$ 116,072,986**	**$ 119,625,827**	**$ 80,380,518**	**$ (35,692,468)**	**(30.8)%**
Committed Reserves						
Currently Authorized Projects ***	$ 46,911,936	$ 11,673,000	$ 17,040,972	$ 12,142,988	$ 469,988	4.0%
Benefit Assessment Reserve	1,097,604	—	—	—	—	—
Operating and Capital Reserve	85,295,706	70,522,113	91,078,181	103,370,091	32,847,978	46.6%
Total Committed Reserves	**$ 133,305,246**	**$ 82,195,113**	**$ 108,119,153**	**$ 115,513,079**	**$ 33,317,966**	**40.5%**
TOTAL YEAR-END RESERVES	**$ 291,050,109**	**$ 198,268,099**	**$ 227,744,980**	**$ 195,893,597**	**$ (2,374,502)**	**(1.2)%**

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 28,099,595	$ 32,090,568	$ 32,090,568	$ 33,741,784	$ 1,651,216	5.1%
Salary Savings Factor	—	(873,113)	(873,113)	(877,692)	(4,579)	0.5%
Services & Supplies	22,667,076	25,435,078	34,879,684	24,775,720	(659,358)	(2.6)%
Intra-District Charges	18,971,807	18,969,250	18,969,250	20,684,927	1,715,677	9.0%
OPERATING OUTLAY TOTAL	**$ 69,738,478**	**$ 75,621,783**	**$ 85,066,389**	**$ 78,324,739**	**$ 2,702,956**	**3.6%**
DEBT SERVICE						
Services & Supplies	$ 354,009	$ 853,399	$ 853,399	$ 722,456	$ (130,943)	(15.3)%
Debt Service	11,500,319	13,401,410	13,401,410	12,188,911	(1,212,499)	(9.0)%
DEBT SERVICE TOTAL	**$ 11,854,328**	**$ 14,254,809**	**$ 14,254,809**	**$ 12,911,367**	**$ (1,343,442)**	**(9.4)%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 16,966,367	$ 18,571,597	$ 18,571,597	$ 21,095,881	$ 2,524,284	13.6%
Salary Savings Factor	—	(517,260)	(517,260)	(565,272)	(48,012)	9.3%
Services & Supplies	41,673,912	34,331,548	133,423,638	54,247,196	19,915,648	58.0%
Carry Forward Capital Projects	—	43,996,000	—	37,987,340	(6,008,660)	(13.7)%
Intra-District Charges	10,626,413	10,069,433	10,069,433	11,825,344	1,755,911	17.4%
CAPITAL PROJECTS TOTAL	**$ 69,266,692**	**$ 106,451,318**	**$ 161,547,408**	**$ 124,590,489**	**$ 18,139,171**	**17.0%**
TOTAL OUTLAYS****	**$ 150,859,498**	**$ 196,327,910**	**$ 260,868,606**	**$ 215,826,595**	**$ 19,498,685**	**9.9%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Watershed and Stream Stewardship Fund

Description

The Watershed and Stream Stewardship Fund was created in FY 2000-01 as part of the Board of Directors' direction to balance the overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific stewardship activities within the watersheds from a portion of Valley Water's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five watersheds funds supported by revenue from:

- All Valley Water's 1% ad valorem property tax allocation, except the portion allocated to the Valley Water General Fund and Water Utility Enterprise Fund
- Benefit assessments
- Capital reimbursement
- Intergovernmental revenue
- Interest revenue

The revenues in the Watershed and Stream Stewardship Fund are used to provide:

- Environmentally responsible maintenance and construction of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values including sediment removal; levee maintenance; erosion protection; debris removal; vegetation management; invasive species removal and control; Good Neighbor Maintenance, trash and graffiti removal; corrective maintenance, property, fence and road repairs
- Administration of the Water Resources Protection Ordinance to protect Valley Water assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of floods
- Protection and improvement of water quality from urban runoff and other stream impairments
- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds
- Public outreach and education
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training and workforce development

Preliminary targets for sediment removal, field condition assessments, levee maintenance, and erosion protection are based on the Stream Maintenance Program-2 (SMP-2) Notice of Proposed Work (NPW) submitted to the regulatory agencies every year in April. The NPW consists of all potential work identified for that season. While Valley Water intends to complete all work listed in the NPW, some of the work may not be completed for numerous reasons, such as the ability to propose and implement required mitigation, timely receipt of regulatory agencies' approvals, changed site conditions, biological restrictions due to nesting birds, and other factors. Furthermore, an additional NPW may be submitted due to late-occurring work because of winter storms. Therefore, proposed quantities in this document are subject to change.

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2020-21 Budget.

Outcomes

Goal 3.1: Natural flood protection for residents, businesses, and visitors

Provide flood protection to the county's growing community by building flood protection projects and maintaining conveyance capacity of modified channels.

Major Capital Projects starting or continuing construction:

- Upper Llagas Creek, Buena Vista Road to Llagas Road – Phase I;
- San Francisco Bay Shoreline Phase I Flood Protection and Habitat Restoration;
- Lower Calera Creek Flood Protection;
- Lower Penitencia Creek Flood Protection, Berryessa Creek to Coyote Creek; and
- Watersheds Asset Rehabilitation Program: Piedmont Creek (from Roswell Drive to Dempsey Road) and Calabazas Creek (from Miller Avenue to Bollinger Road).

Major Capital Projects in planning and design:

- Palo Alto Flood Basin Structure Improvements;
- Guadalupe River Flood Protection, Tasman Drive to I-880;
- Upper Penitencia Creek, Coyote Creek to Dorel Drive; and,
- Upper Guadalupe River Flood Protection Reaches 7-12.

Maintain conveyance capacity of modified channels:

- Effectively and efficiently maintain and operate flood water conveyance channels to design specifications including sustainable sediment management, vegetation management and debris removal;
- Provide 86% of the funding to remove an estimated 20,000 to 50,000 cubic yards of sediment;
- Control approximately over 3,700 acres of upland vegetation to allow access for sediment removal and levee maintenance;
- Inspect approximately 281 miles of creeks;
- Inspect approximately 100 miles of levees; and
- Perform maintenance on approximately 30,000 linear feet of levees.

Goal 3.2: Reduced potential for flood damages

Reduce the potential for flood damages by: preparing for and responding to flood emergencies; informing the public on flood awareness; implementing the Water Resources Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; maintaining and improving our flood warning system. This includes providing approximately 40,000 filled sandbags and sending floodplain mailers to approximately 53,000 homes and businesses in flood-prone areas.

Goal: 4.1: Protect and restore creek, bay and other aquatic ecosystems

Protect and restore creek and bay ecosystems: managing mitigation and enhancement sites; monitoring the biological values along the creeks and bay; understanding the natural hydrology of the watersheds; responding to hazardous material incidents; educating residents on creek stewardship; conducting storm water runoff pollution prevention activities and continuing Good Neighbor Maintenance to remove trash from visible creek reaches, repair fences as needed for public safety, respond to requests for trash and graffiti removal within five working days, and respond to Adopt-A-Creek trash pickups.

- Stabilize approximately 3,000 linear feet of stream banks.

Capital Projects:

- SMP Mitigation and Stream and Watershed Protection Program, such as Hale Creek Enhancement Pilot Study, design of Almaden Lake Improvements, Feasibility Study of Metcalf Ponds, and Ogier Ponds Planning Study.

Goal: 4.2: Improved quality of life in Santa Clara County through trails and open space

Provide additional recreational opportunities by partnering with cities and the County to create creekside trails and open space.

Goal: 4.3: Strive for zero net greenhouse gas emission or carbon neutrality

Develop a Climate Change Action Plan to develop greenhouse gas reduction strategies and climate change adaptation strategies.

Fiscal Status

Property tax revenue is projected at $93.5 million, an 8.6% or $7.4 million increase from the FY 2019-20 Adopted Budget.

Interest earnings are projected at $2.6 million, a 28.1% or $0.6 million increase from the FY 2019-20 Adopted Budget.

Other Income of $1.4 million is budgeted for rental and other miscellaneous income.

Capital Reimbursement of $20.1 million is budgeted as follows:

- $10.8 million Measure AA grant for San Francisco Bay Shoreline
- $2.8 million Proposition 1E funds for Berryessa Creek, Lower Penitencia Creek – Calaveras Blvd
- $3.4 million State Subvention and Proposition 1E funds for Lower Silver Creek, I-680 to Cunningham (reaches 4-6)
- $1.6 million Natural Resources Conservation Service (NRCS) funds for Cunningham Flood Detention Certification
- $1.0 million State Subvention funds for Llagas Creek, Lower, Capacity Restoration, Buena Vista Road to Pajaro River
- $0.5 million State Subvention funds for Guadalupe River - Downtown, I-880 to I-280.

Operating Transfers in from Benefit Assessment Fund for the excess amount over the debt obligations is budgeted at $2.3 million

Operating Transfers out of $18.2 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

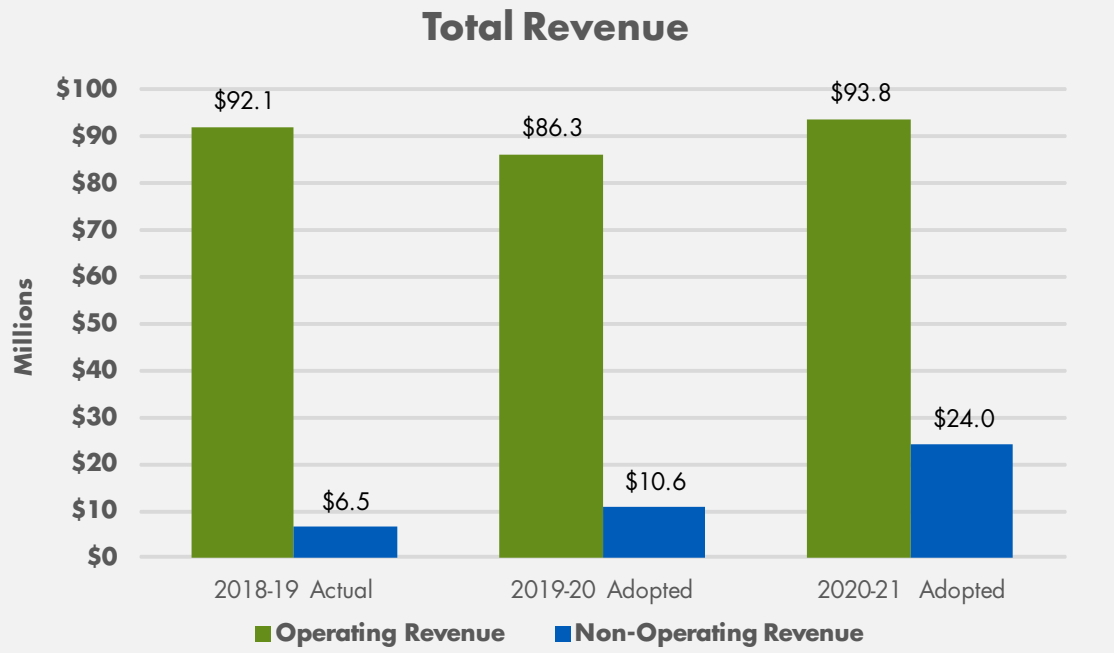
- $6.4 million to the Safe Clean Water Fund for Berryessa Creek
- $3.0 million to Information Technology Fund for IT capital projects costs
- $2.8 million to the General Fund for Safe Clean Water Renewal Ballot measure efforts
- $2.5 million to the Safe Clean Water Fund for Upper Penitencia Creek
- $1.1 million to the Benefit Assessment Fund to refund excess debt service reserve funds from FY 2018-19 due to a decreased reserve requirement pursuant to the trust agreement for the 2012A COPs.
- $0.9 million to the Safe Clean Water Fund, (90% of net rental income) for Encampment Cleanup Program
- $1.2 million to the General Fund for Drought Induced Tree Removal
- $0.3 million to the Water Enterprise Fund for the Open Space Credit

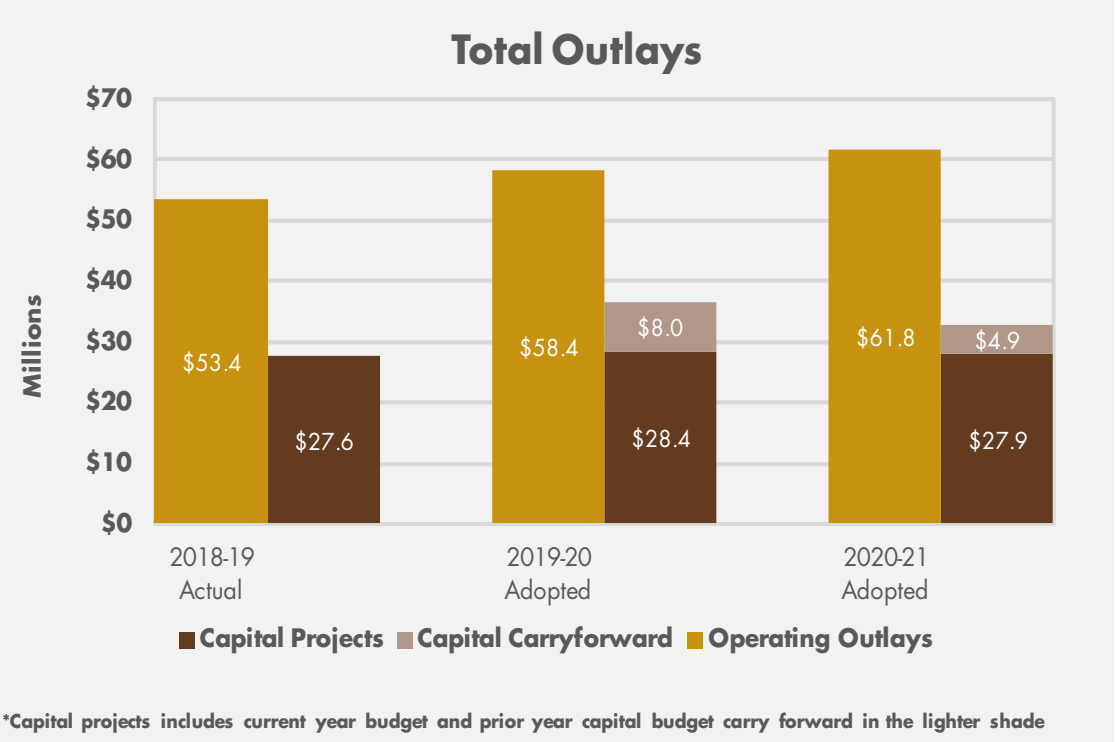
Budget Issues

- The Watershed and Stream Stewardship Fund is limited, given that it is the main source of funding for essential operations and maintenance of Watershed facilities and every year staff has identified more work than the fund can support; reserves are projected to be drawn down significantly over the 10 year forecast.
- With the net addition of $24.5 million over the next 10 years to the San Francisco Bay Shoreline project, significant reductions and postponements of budgeted project costs for the Watersheds Asset Rehabilitation Program and the Ogier Ponds Design and Construction projects were implemented.
- Implementation of the Stream Maintenance Program-2 continues to result in increasing demands for staff resources from multiple Operations and Maintenance units and mitigation requirements. SMP-2 is scheduled to sunset in December of 2023. Development and environmental evaluation of the SMP-3 will begin in FY 2020-21. This multi-year process includes preparation of a new EIR and accompanying programmatic permits with each of the seven state and federal agencies which have regulatory authority over various aspects of the program.

- 100% of the Encampment Cleanup Program's 15-year allocation of Safe, Clean Water funds was spent by the end of FY 2017-18, with 10 years remaining in the program. The Watershed and Stream Stewardship Fund started to provide supplemental funding for the Encampment Cleanup Program in FY 2018-19, with 90% of the fund's net rental income and $175,000 from the Safe Clean Water Fund reserves. The FY 2018-19 project budget was $925,000. In FY 2019-20, a budget adjustment of $575,000 was included to return project funding to the FY 2017-18 amount of $1.5 million based on the community's demands for encampment cleanups. For FY 2020-21, the program budget is set at the FY 2018-19 level of approximately $922,000, which, similarly, will continue to be funded by 90% of rental income in the Watershed Stream and Stream Stewardship Fund and $175,000 from the Safe Clean Water Fund reserves. Per Board Report 19-1048 approved on 10/22/19, the budget for the Encampment Cleanup Program will be determined by the Board on an annual basis for Fiscal Years 2021-2028 as the need for additional funding is expected to increase. Staff will be returning to the Board during FY 2020-21 for an update on the status of the Encampment Cleanup Program.

Watershed and Stream Stewardship Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
REVENUE						
Operating Revenue						
Property Tax	$ 90,726,811	$ 86,087,955	$ 91,119,811	$ 93,520,000	$ 7,432,045	8.6%
Intergovernmental Services	1,217,555	—	—	—	—	—
Operating Other	158,630	247,000	247,000	254,410	7,410	3.0%
Total Operating Revenue	**$ 92,102,996**	**$ 86,334,955**	**$ 91,366,811**	**$ 93,774,410**	**$ 7,439,455**	**8.6%**
Non-Operating Revenue						
Capital Reimbursements	$ 1,567,679	$ 7,286,000	$ 25,461,000	$ 20,072,000	$ 12,786,000	175.5%
Interest Income *	2,916,838	1,990,000	3,000,000	2,550,000	560,000	28.1%
Nonoperating Other	2,021,544	1,366,000	1,366,374	1,407,421	41,421	3.0%
Total Non-Operating Revenue	**$ 6,506,061**	**$ 10,642,000**	**$ 29,827,374**	**$ 24,029,421**	**$ 13,387,421**	**125.8%**
TOTAL REVENUE	**$ 98,609,057**	**$ 96,976,955**	**$ 121,194,185**	**$ 117,803,831**	**$ 20,826,876**	**21.5%**
OUTLAYS						
Operating Outlays						
Operations **	$ 50,356,834	$ 55,694,912	$ 56,558,112	$ 59,007,811	$ 3,312,899	5.9%
Operating Project	3,079,901	2,658,659	2,658,659	2,768,507	109,848	4.1%
Total Operating Outlays	**$ 53,436,735**	**$ 58,353,571**	**$ 59,216,771**	**$ 61,776,318**	**$ 3,422,747**	**5.9%**
Capital Outlays						
Capital Projects	$ 27,643,299	$ 28,446,419	$ 69,017,383	$ 27,860,688	$ (585,731)	(2.1)%
Carry Forward Capital Projects	—	8,030,000	—	4,897,984	(3,132,016)	(39.0)%
Total Capital Outlays	**$ 27,643,299**	**$ 36,476,419**	**$ 69,017,383**	**$ 32,758,672**	**$ (3,717,747)**	**(10.2)%**
TOTAL OUTLAYS****	**$ 81,080,034**	**$ 94,829,990**	**$ 128,234,154**	**$ 94,534,990**	**$ (295,000)**	**(0.3)%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 1,551,181	$ —	$ 1,558,993	$ —	$ —	—
Transfers In	3,674,472	2,291,530	2,384,313	2,305,174	13,644	0.6%
Transfers Out	(5,388,116)	(21,463,000)	(22,089,430)	(18,180,089)	3,282,911	(15.3)%
TOTAL OTHER SOURCES/(USES)	**$ (162,463)**	**$ (19,171,470)**	**$ (18,146,124)**	**$ (15,874,915)**	**$ 3,296,555**	**(17.2)%**
BALANCE AVAILABLE	**$ 17,366,560**	**$ (17,024,505)**	**$ (25,186,093)**	**$ 7,393,926**	**$ 24,418,431**	**(143.4)%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 46,911,936	$ 11,673,000	$ 17,040,972	$ 12,142,988	$ 469,988	4.0%
Benefit Assessment Reserve	1,097,604	—	—	—	—	—
Operating and Capital Reserve	85,295,706	70,522,113	91,078,181	103,370,091	32,847,978	46.6%
Total Committed Reserves	**$ 133,305,246**	**$ 82,195,113**	**$ 108,119,153**	**$ 115,513,079**	**$ 33,317,966**	**40.5%**
TOTAL YEAR-END RESERVES	**$ 133,305,246**	**$ 82,195,113**	**$ 108,119,153**	**$ 115,513,079**	**$ 33,317,966**	**40.5%**

Watershed and Stream Stewardship Fund Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 23,848,105	$ 26,964,472	$ 26,964,472	$ 28,424,012	$ 1,459,540	5.4%
Salary Savings Factor	—	(732,894)	(732,894)	(739,094)	(6,200)	0.8%
Services & Supplies	13,533,295	16,326,100	17,189,300	16,870,140	544,040	3.3%
Intra-District Charges	16,055,334	15,795,893	15,795,893	17,221,259	1,425,366	9.0%
OPERATING OUTLAY TOTAL	**$ 53,436,734**	**$ 58,353,571**	**$ 59,216,771**	**$ 61,776,317**	**$ 3,422,746**	**5.9%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 6,933,313	$ 7,607,894	$ 7,607,894	$ 9,702,005	$ 2,094,111	27.5%
Salary Savings Factor	—	(211,041)	(211,041)	(259,219)	(48,178)	22.8%
Services & Supplies	16,353,445	16,922,513	57,493,477	12,962,129	(3,960,384)	(23.4)%
Carry Forward Capital Projects	—	8,030,000	—	4,897,984	(3,132,016)	(39.0)%
Intra-District Charges	4,356,541	4,127,054	4,127,054	5,455,772	1,328,718	32.2%
CAPITAL PROJECTS TOTAL	**$ 27,643,299**	**$ 36,476,420**	**$ 69,017,384**	**$ 32,758,671**	**$ (3,717,749)**	**(10.2)%**
TOTAL OUTLAYS****	**$ 81,080,033**	**$ 94,829,991**	**$ 128,234,155**	**$ 94,534,988**	**$ (295,003)**	**(0.3)%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Watershed and Stream Stewardship Fund

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
Operations							
	10291002	Rental Expense Stevens Creek	309,769	364,015	370,349		Watershed Design & Construction Division
	30061004	Rent Exp Guadalupe & Coyote	205,547	204,212	116,986		Watershed Design & Construction Division
	30151026	Guad Rvr Mitgtn Monitoring Prg	917,774	1,019,152	607,295		Watershed Stewardship & Planning Division
	62001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Watersheds
	62011002	Watershed Asset Protection Sup	4,077,048	3,861,826	4,593,001		Watershed Design & Construction Division
	62021003	CPRU Tech Support	398,351	485,984	78,980		Watershed Design & Construction Division
**	62021004	Vegetation Mgmt Tech Support	977,981				Watershed Operations & Maintenance Division
*	62021008	Energy Management	5,951	5,982	9,415		Treated Water Division
	62021009	Watershds O&M Eng&Insp Support	956,781	1,076,949	1,386,668		Watershed Operations & Maintenance Division
*	62031001	Watershed Revenue	39,735	46,468	53,216		Financial Planning and Management Services Division
*	62031002	Grants Management	406,370	400,066	529,834		Financial Planning and Management Services Division
*	62041022	Stream Maint Prog Mgmt	3,259,614	3,246,242	5,066,473		Watershed Operations & Maintenance Division
	62041023	Community Rating System (CRS)	373,242	456,085	463,004		Office of Chief of External Affairs
	62041027	Integrated Wtr Resrce Mstr Pln	986,366	1,407,329	1,593,857		Watershed Stewardship & Planning Division
*	62041039	Integrated Regional Water Mgmt	44,341	106,197	19,382		Water Supply Division
	62041043	Environmental Srvcs Tech Suppt	333,473	411,437	506,667		Watershed Stewardship & Planning Division
*	62041047	Ecolgcal Data Collectn & Analy	138,974	474,592	256,364		Watershed Stewardship & Planning Division
	62061001	Watersheds Administration	6,065,803	9,088,456	9,741,096		Office of COO Watersheds
	62061002	Districtwide Salary Savings-12		(732,894)	(739,094)		Financial Planning and Management Services Division
	62061005	WS Customer Relations&Outreach	547,268	521,015	1,041,056		Office of Chief of External Affairs
	62061008	Hydrology&Hydraulics Tech Supp	1,254,667	1,222,690	1,458,172		Watershed Stewardship & Planning Division
*	62061019	Supp Volunteer Cleanup Effort	335,297	155,216	168,184		Office of Chief of External Affairs

* Recipient projects
** Closed, combined or no current year funding
*** Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY 20. If the actual FY 20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
**	62061028	WS Training & Development	1,050,889				Office of COO Watersheds
	62061029	Field Operations Support	521,898	570,457	606,882		Watershed Operations & Maintenance Division
*	62061045	Asset Management Program	1,230,133	974,494	1,092,333		Treated Water Division
*	62061048	Climate Change Adaptation/ Mtg.	296,469	151,612	94,374		Watershed Stewardship & Planning Division
	62061049	Safe Clean Water Renewal			45,000		Office of Chief of External Affairs
*	62071041	Welding Services	61,696	78,827	85,182		General Services Division
	62181005	SMP Mitigation Site Mgmt	358,423	544,769	606,690		Watershed Stewardship & Planning Division
	62181006	Instream Habitat Complexity	609,445	344,849	259,169		Watershed Operations & Maintenance Division
*	62741042	Water Resorcs EnvPlng & Permtg	18,057	121,845	201,141		Watershed Operations & Maintenance Division
	62761006	Invasive Plant Management Prog	1,459,758	2,146,965	2,183,976		Watershed Operations & Maintenance Division
	62761008	Sandbag Program	704,734	585,472	614,903		Watershed Operations & Maintenance Division
	62761009	Pond A4 Operations	91,512	172,192	157,561		Watershed Operations & Maintenance Division
*	62761022	Watershed Good Neighbor Maint	1,003,784	802,984	1,056,879		Watershed Operations & Maintenance Division
*	62761023	Watershed Sediment Removal	2,886,176	4,238,443	5,199,706		Watershed Operations & Maintenance Division
	62761024	Wtrshd Facility Cndtion Assmnt	1,708,442	1,785,241	2,196,428		Watershed Operations & Maintenance Division
	62761025	Watershed General Field Maint	2,314,766	1,635,514	1,841,289		Watershed Operations & Maintenance Division
	62761026	Watershed Debris Removal	2,139,529	1,117,712	1,221,724		Watershed Operations & Maintenance Division
	62761027	Watershed Erosion Protection	2,651,447	2,810,589	2,877,748		Watershed Operations & Maintenance Division
	62761028	Watershed Levee Maintenance	802,427	1,039,311	924,117		Watershed Operations & Maintenance Division
*	62761071	Emergency Management	987,850	986,410	1,162,880		Office of COO IT and Admin Services
**	62761074	Corps Local Sponsor O&M	291,265	848,151			Watershed Operations & Maintenance Division
*	62761075	Mgmt of Revegetation Projects	674,964	871,700	651,609		Watershed Operations & Maintenance Division

* Recipient projects
** Closed, combined or no current year funding
*** Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY 20. If the actual FY 20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
*	62761078	Vegetation Mangmnt for Access	3,142,892	3,056,326	3,296,410		Watershed Operations & Maintenance Division
	62761080	Non SMP Veg Removal for Convey	49,431	2,280,441	256,381		Watershed Operations & Maintenance Division
*	62771011	Inter Agency Urban Runoff Prog	1,085,305	1,163,304	1,218,444		Watershed Stewardship & Planning Division
*	62771031	HAZMAT Emergency Response	78,592	90,513	94,678		Office of COO IT and Admin Services
*	62811043	Hydrologic Data Msrmt & Mgmt	884,319	1,009,927	1,019,096		Watershed Stewardship & Planning Division
*	62811046	Warehouse Services	877,165	1,027,681	1,215,771		General Services Division
*	62811049	X Valley Subsidence Survey	210,812	548,430	422,575		Office of COO Watersheds
*	62811054	District Real Property Adminis	530,304	769,737	983,958		Office of COO Watersheds
	Total Operations		**50,356,834**	**55,694,912**	**59,007,811**		
	Operating Project						
	40212032	Coyote Creek Mitgtn Monitoring	163,380	257,834	258,937		Watershed Stewardship & Planning Division
	62042032	Multiple Sm Prjcts Mitgtn Mont	198,154	626,226	711,620		Watershed Stewardship & Planning Division
	62042047	Mitigation & Stwdshp Land Mgmt	80,394	210,543	215,999		Watershed Stewardship & Planning Division
	62042050	Watershd Maint Guideline Updte	1,220,060	438,932	546,946		Watershed Operations & Maintenance Division
	62042051	Plant Pathogen Management	236,664	400,008	376,113		Watershed Stewardship & Planning Division
**	62062003	El Nino Flood Emrgncy Response	390,806				Office of COO Watersheds
*	62762011	Tree Maintenance Program	790,442	725,117	658,893		Watershed Operations & Maintenance Division
	Total Operating Project		**3,079,901**	**2,658,659**	**2,768,507**		
	Capital						
	10394001	PA Flood Basin Tide Gate Replace	522,782	1,918,492	83,408	1,510,492	Watershed Design & Construction Division
	20444001	Salt Ponds A5-11 Restoration	459,185	270	170,502	396,498	Watershed Stewardship & Planning Division
	30114002	Canoas Crk, Rodent Damage Repr	11,765				Watershed Design & Construction Division
	30154015	Guadalupe Rv-DT, Coleman-SClra	41,019				Watershed Design & Construction Division

* Recipient projects
** Closed, combined or no current year funding
*** Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY 20. If the actual FY 20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	30154019	Guadalupe R Tasman Dr-I880	80,457	1,000,000	1,837,500		Watershed Design & Construction Division
	40174004	L. Berryessa Ck, L.Penit-Calav	27,712			105,000	Office of COO Watersheds
	40174005	Berryessa Crk, Lwr. Pen Phs 2	2,959,038	88	42,308	1,543,192	Office of COO Watersheds
	40264008	Lwr Silver-R4-6 N Babb-Cunni	834,281	739,000	166,648	752	Water Utility Capital Division
	40264011	Cunningham Fld Detention Cert	1,860,563	235,126	3,735	27,765	Office of COO Watersheds
	40264012	Low Silver 680-Cunningham Reim				42,000	Water Utility Capital Division
**	40324003	U Penitencia Cr-Corps Coord	12,711			(505,880)	Watershed Stewardship & Planning Division
**	40324005	U Penitencia, Coyt-Dorel LERRD	47,146				Watershed Stewardship & Planning Division
	40334005	Lwr Penitencia Crk Improvemnts	1,016,886	8,989,548	7,744,565	1,036,435	Watershed Design & Construction Division
	50284010	Lower Llagas Capacity Restore				861,000	Water Utility Capital Division
	62044001	Watershed Habitat Enhancemnt S	1,124,606	324,765	532,403	380,047	Watershed Stewardship & Planning Division
*	62044026	San Francisco Bay Shoreline	230,220	1,765,000	11,143,080	(865,200)	Office of COO Watersheds
	62064023	Districtwide Salary Savings		(211,041)	(259,219)		Financial Planning and Management Services Division
*	62074030	WU Capital Training & Dvlpment	13,889				Water Utility Capital Division
*	62074033	CIP Development & Admin	267,059	345,093	336,783		Office of COO Watersheds
*	62074036	Survey Mgmt & Tech Support	209,092	140,806	215,131		Office of COO Watersheds
*	62074038	Capital Progrm Srvcs Admin	2,124,086	1,787,367	1,923,501		Water Utility Capital Division
*	62074041	GS Capital Program Services			388,945		General Services Division
	62084001	Watersheds Asset Rehabilitatio	15,603,612	11,375,821	3,531,397	(104,617)	Office of COO Watersheds
	62184001	SMP Mit-Stream Wtrshd Land Acq	197,191	36,085		470,500	Watershed Stewardship & Planning Division
	Total Capital		**27,643,299**	**28,446,419**	**27,860,688**	**4,897,984**	
	Total		**81,080,033**	**86,799,991**	**89,637,006**	**4,897,984**	

* Recipient projects
** Closed, combined or no current year funding
*** Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY 20. If the actual FY 20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

Safe, Clean Water and Natural Flood Protection Fund

Description

The Safe, Clean Water & Natural Flood Protection Program (Safe, Clean Water Program) Fund accounts for a 15-year program that was approved by the voters in November 2012 to address five (5) community priorities. The Program replaced the Clean, Safe Creeks and Natural Flood Protection Plan (Clean, Safe Creeks Plan) passed by voters in November 2000. The Safe, Clean Water Program is funded by a combination of revenues from the continuation of an annual special parcel tax, reserves from unspent funds of the Clean, Safe Creeks Plan, and state and federal funding. The Program includes a debt financing component that will help fund capital projects earlier in the Program rather than later.

Program funds will be used to meet remaining Clean, Safe Creeks Plan commitments and to fulfill the following community priorities identified in the Safe, Clean Water Program:

- Priority A: Ensure a safe, reliable water supply.
- Priority B: Reduce toxins, hazards and contaminants in our waterways.
- Priority C: Protect our water supply from earthquakes and natural disasters.
- Priority D: Restore wildlife habitat and provide open space.
- Priority E: Provide flood protection to homes, businesses, schools and highways.

The Program supplements other available, but limited, resources to provide stream stewardship activities and flood protection improvements. The Program supports activities that benefit not only the community at large, but that also provide relief to Water Utility rate payers. For example, the fund will contribute toward the Anderson Dam Seismic Retrofit Project, which would otherwise need to be fully paid by water utility rate payers. This project will provide earthquake retrofitting of the dam and, upon completion, will help Anderson Reservoir to be restored to its full storage capacity.

Following each goal statement is a list of projects that are included in the FY 2020-21 Budget.

Outcomes

Goal 3.1: Natural flood protection for residents, businesses, and visitors

Protect parcels from flooding by applying an integrated watershed management approach that balances environmental quality and protection from flooding; ensure continued coordination with and funding support from the US Army Corps of Engineers (USACE); continue projects to maintain channel conveyance capacity.

Goal 3.1 is delivered in part through Safe, Clean Water Program Priority E, *Project E1 (Vegetation Control and Sediment Removal for Flood Protection*):

- Vegetation Control and Sediment Removal for Flood Protection – this effort supports Valley Water's ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining design conveyance capacity of flood protection projects.
- Efforts to maintain flood conveyance capacity include providing 14% of funding to remove approximately 20,000 to 50,000 cubic yards of sediment.
- Sediment removal and the control of 408 acres of upland vegetation for access and 619 acres of in-stream vegetation for stream capacity.

Goal 3.1 is also delivered through the Safe, Clean Water Program's flood protection projects under Priority E and the Other Clean, Safe Creeks Plan flood protection projects that were continued under the Program.

Major Capital Projects starting, continuing, or closing-out construction:

- San Francisquito Creek, San Francisco Bay to HWY 101 – closing-out construction (Project E5);
- Berryessa Creek, Calaveras Boulevard to I-680 – closing-out construction (Clean, Safe Creeks cont.);
- Permanente Creek, San Francisco Bay to Foothill Expressway – continuing construction (Clean, Safe Creeks cont.);
- Upper Llagas Creek, Buena Vista Road to Wright Avenue – continuing construction (Project E6);
- Sunnyvale East and West Channels Flood Protection Project – starting construction (Clean, Safe Creeks cont.);
- Rancho San Antonio Park Flood Detention Basin (Clean, Safe Creeks cont.).

Major Capital Projects in planning and design:

- Upper Penitencia Creek, Coyote Creek to Dorel Drive – design (Project E4);
- San Francisco Bay Shoreline – planning (Project E7);
- Coyote Creek, Montague Expressway to Tully Road – design (Clean, Safe Creeks cont.);
- Almaden Lake Improvements – design (Project D4);
- Hale Creek Enhancement Pilot Study – design (Project D6).

Goal 3.2: Reduce potential for flood damages

Reduce the risk of flooding from creeks by preparing for and responding to flood emergencies.

Safe, Clean Water Program Project C2:

- Emergency Response Upgrades – Improve the accuracy of flood forecasting services with the use of stream gauges and hydrological, hydraulic, and geotechnical studies.
- Implement risk reduction strategies consistent with FEMA's Community Rating System as appropriate.
- Enhance inter-agency response to storm-related emergencies.

Safe, Clean Water Program Project E2:

- Enhance inter-agency response to storm-related emergencies by working with agencies to incorporate Valley Water-endorsed flood emergency procedures into their Emergency Operations Center plans.
- Complete flood-fighting action plans for watersheds.
- Coordinate public outreach for uniform emergency messages and web-based information.

Safe, Clean Water Program Project E3:

- Provide more accurate flood plain mapping and potentially change FEMA regulatory floodplain.
- Conduct hydrologic and hydraulic studies to evaluate 1% flood risk.
- Provide technical basis for developing future flood protection plans.

Goal 4.1: Protect and restore creek, bay and other aquatic ecosystems

Reduce and remove contaminants in our local creeks, streams and bay. Restore and protect wildlife habitat.

Safe, Clean Water Program Project B1:

- Improve impaired water bodies to help Valley Water meet surface water quality standards and reduce pollutants in streams, groundwater, lakes and reservoirs.
- Operate and maintain oxygenation treatment systems in four reservoirs. Benefits include improved water quality, including water going to drinking water treatment plants, and reduction of methyl mercury in reservoirs to prevent entry into the food web.
- Fund several pollution prevention and reduction activities such as discouraging re-encampments along the Guadalupe River and Coyote Creek, as well as trash mapping and removal.

Safe, Clean Water Program Project B2:

- Interagency Urban Runoff Program - Support collaborative efforts with other agencies and non-profit organizations to protect surface water quality.
- Support pollution prevention and reduction activities.

- Operate and maintain four (4) trash capture devices throughout the county.

Safe, Clean Water Program Project B3:

- Administer fifteen (15) Pollution Prevention grants and partnership projects awarded since 2014.
- Provide up to $200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water.
- Solicit new proposals to support pollution prevention efforts.
- Develop and implement new grant agreements.

Safe, Clean Water Program Project B4:

- Good Neighbor Encampment Clean-up - Perform 52 annual cleanups for the duration of the Safe, Clean Water Program to reduce the amount of trash and pollutants entering the streams.

Safe, Clean Water Program Project B5:

- Hazardous Material Response Program – Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.

Safe, Clean Water Program Project B6:

- Good Neighbor Program – Conduct four (4) clean-up events per year.
- Response to requests on litter or graffiti clean-up within 5 working days.

Safe, Clean Water Program Project B7:

- Administer thirteen (13) new Support Volunteer Clean-up and Education Effort grants and partnership projects awarded since 2014.
- Provide up to $200,000 for grants for supporting volunteer clean-up efforts and education.
- Fund Valley Water's support of three annual volunteer clean-up events for National River Clean-up Day, California Coastal Clean-up Day, and the Great American Litter Pick-up; and support the year-round Adopt-A-Creek Program

Safe, Clean Water Program Project D1:

- Maintain a minimum of 300 existing acres of revegetation planting annually to meet regulatory requirements and conditions throughout the five watersheds

Safe, Clean Water Program Project D2:

- Revitalize stream, upland and wetland habitat by removing non-native, invasive plants and revegetating habitat with native species.

Safe, Clean Water Program Project D3:

- Develop Stream Corridor Priority Plans to prioritize stream restoration activities.
- Administer sixteen (16) active wildlife habitat restoration grants and partnership projects, and seventeen (17) active mini-grants for wildlife habitat restoration projects awarded since 2014.
- Provide up to $200,000 for mini-grants for wildlife habitat restoration.

Safe, Clean Water Program Project D4:

- Develop design for a Creek gravel augmentation and Large Woody Debris Placement Project for Uvas Creek.
- Complete second phase of steelhead habitat enhancement gravel augmentation and LWD study for streams not included in the first phase.
- Complete planning/design study for two (2) creek/lake separation projects: Finalize design for Almaden Lake Improvement creek/lake separation (Capital project); and, Continue Planning Phase study of Ogier Ponds creek/lake separation (Capital project).

Safe, Clean Water Program Project D5:

- Reassess the Coyote Creek Watershed to determine if ecological levels of service are maintained or improved.

Safe, Clean Water Program Project D6:

- Use geomorphic data to design and construct projects to increase the stability of eroding creek banks and help restore the natural functions of stream channels on the Hale Creek Enhancement Pilot Project (Capital project).

Safe, Clean Water Program Project D7:

- Provide up to $8 million for the acquisition of property for the conservation of habitat lands to preserve local ecosystems through a funding agreement with the Santa Clara Valley Habitat Agency. Project completed in Fiscal Year 2020.

Safe, Clean Water Program Project D8:

- Reuse local stream sediments to build and rehabilitate tidal habitat

Goal 4.2: Improved quality of life in Santa Clara County through trails and open space

Provide access to creekside trails or trails that provide a significant link to the creekside trail network.

Safe, Clean Water Program Project D3:

- Administer eight (8) open space and trail grants projects awarded since 2014.
- Provide $571,000 for access to trails and open space grants.

Fiscal Status

The Safe, Clean Water Program special parcel tax is budgeted at $45.5 million, which is unchanged from the FY 2019-20 Adopted Budget. This special tax is based on the land use and parcel size rather than assessed property value. Consequently, the annual rates of change are different than for the other property taxes in the Watershed Stream and Stewardship (WSS) Fund.

Interest earnings are projected at $3.4 million reflecting a 41.7% increase from the FY 2019-20 Adopted Budget.

Capital Reimbursements of $12.2 million is budgeted as follows:

- $9.2 million State Subvention funds for Llagas Creek – Upper, Buena Vista to Wright
- $2.2 million Measure AA grant for San Francisco Bay Shoreline
- $0.8 million State Subvention funds for Berryessa Creek, Calaveras Blvd. to I-680

Operating Transfers in of $9.8 million are budgeted as follows:

- $6.4 million from the Watershed and Stream Stewardship Fund (12) for Berryessa Creek
- $2.5 million from the Watershed and Stream Stewardship Fund (12) for Upper Penitencia Creek
- $0.9 million from the Watershed and Stream Stewardship Fund (12) (90% of net rental income) to fund the Encampment Cleanup program

Budget Issues

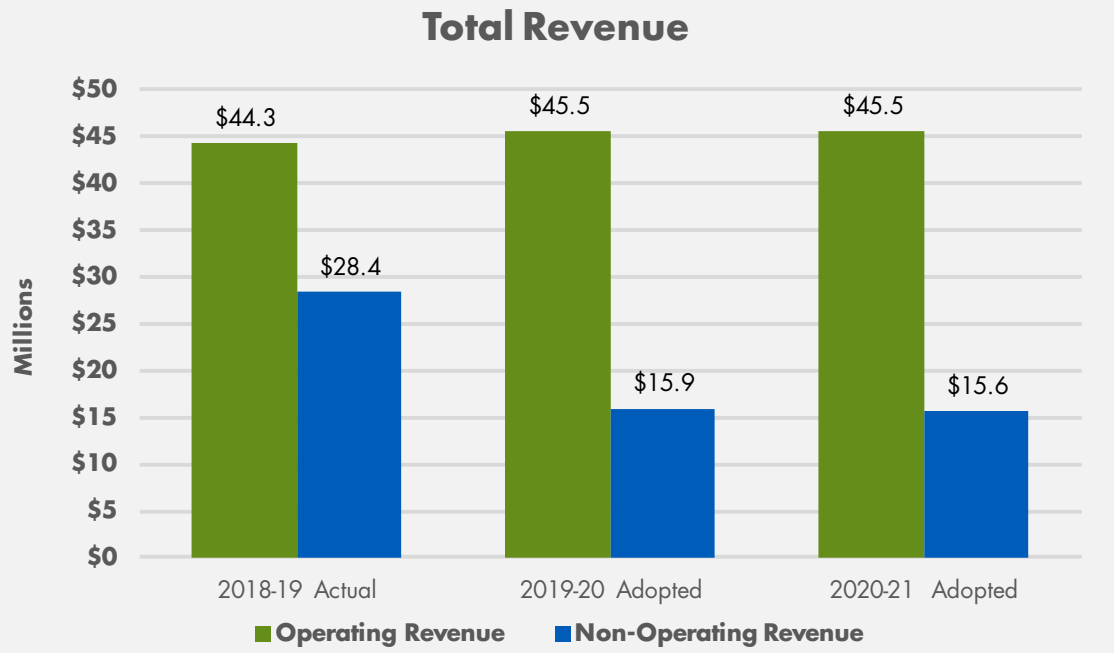
Safe, Clean Water Program Priority E and continued Clean, Safe Creeks Plan flood protection projects:

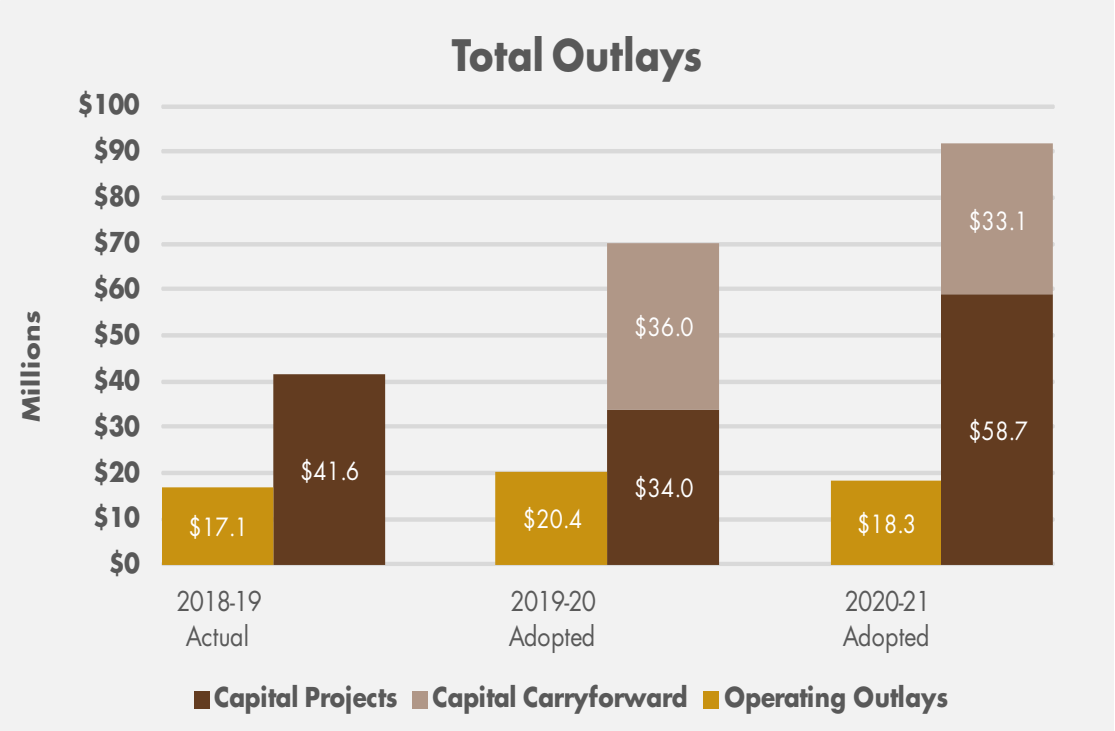
- Staff continues to work aggressively with the USACE to obtain Federal funding; however, due to uncertainty in USACE funding for capital flood protection projects, staff continues to explore other capital funding options. Flood protection projects continue to the extent possible with local funding.

Safe, Clean Water Program Project B4 -Good Neighbor Encampment Cleanups:

- 100% of the Encampment Cleanup Program's 15-year allocation of Safe, Clean Water funds was spent by the end of FY 2017-18, with 10 years remaining in the program. The Watershed and Stream Stewardship Fund started to provide supplemental funding for the Encampment Cleanup Program in FY 2018-19, with 90% of the fund's net rental income and $175,000 from the Safe Clean Water Fund reserves. The FY 2018-19 project budget was $925,000. In FY 2019-20, a budget adjustment of $575,000 was included to return project funding to the FY 2017-18 amount of $1.5 million based on the community's demands for encampment cleanups. For FY 2020-21, the program budget is set at the FY 2018-19 level of approximately $922,000, which, similarly, will continue to be funded by 90% of rental income in the Watershed Stream and Stream Stewardship Fund and $175,000 from the Safe Clean Water Fund reserves. Per Board Report 19-1048 approved on 10/22/19, the budget for the Encampment Cleanup Program will be determined by the Board on an annual basis for Fiscal Years 2021-2028 as the need for additional funding is expected to increase. Staff will be returning to the Board during FY 2020-21 for an update on the status of the Encampment Cleanup Program.

Safe, Clean Water and Natural Flood Protection Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 44,127,352	$ 45,537,000	$ 45,537,000	$ 45,537,000	$ —	—
Intergovernmental Services	125,368	—	—	—	—	—
Total Operating Revenue	**$ 44,252,720**	**$ 45,537,000**	**$ 45,537,000**	**$ 45,537,000**	**$ —**	**—**
Non-Operating Revenue						
Capital Reimbursements	$ 23,956,804	$ 13,476,000	$ 14,344,000	$ 12,178,000	$ (1,298,000)	(9.6)%
Interest Income *	3,976,306	2,400,000	3,850,000	3,400,000	1,000,000	41.7%
Nonoperating Other	416,915	—	—	—	—	—
Total Non-Operating Revenue	**$ 28,350,025**	**$ 15,876,000**	**$ 18,194,000**	**$ 15,578,000**	**$ (298,000)**	**(1.9)%**
TOTAL REVENUE	**$ 72,602,745**	**$ 61,413,000**	**$ 63,731,000**	**$ 61,115,000**	**$ (298,000)**	**(0.5)%**
OUTLAYS						
Operating Outlays						
Operations **	$ 13,389,728	$ 13,931,312	$ 16,512,718	$ 14,076,298	$ 144,986	1.0%
Operating Project	2,912,015	3,336,900	9,336,900	2,472,123	(864,777)	(25.9)%
Debt Service	782,295	3,101,660	3,101,660	1,749,720	(1,351,940)	(43.6)%
Total Operating Outlays	**$ 17,084,038**	**$ 20,369,872**	**$ 28,951,278**	**$ 18,298,141**	**$ (2,071,731)**	**(10.2)%**
Capital Outlays						
Capital Projects	$ 41,623,393	$ 34,008,898	$ 92,530,024	$ 58,742,461	$ 24,733,563	72.7%
Carry Forward Capital Projects	—	35,966,000	—	33,089,356	(2,876,644)	(8.0)%
Total Capital Outlays	**$ 41,623,393**	**$ 69,974,898**	**$ 92,530,024**	**$ 91,831,817**	**$ 21,856,919**	**31.2%**
TOTAL OUTLAYS****	**$ 58,707,431**	**$ 90,344,770**	**$ 121,481,302**	**$ 110,129,958**	**$ 19,785,188**	**21.9%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 2,030,366	$ —	$ 481,466	$ —	$ —	—
Transfers In	1,943,755	18,574,800	19,149,800	9,769,649	(8,805,151)	(47.4)%
TOTAL OTHER SOURCES/(USES)	**$ 3,974,121**	**$ 18,574,800**	**$ 19,631,266**	**$ 9,769,649**	**$ (8,805,151)**	**(47.4)%**
BALANCE AVAILABLE	**$ 17,869,435**	**$ (10,356,970)**	**$ (38,119,036)**	**$ (39,245,309)**	**$ (28,888,339)**	**278.9%**
YEAR-END RESERVES						
Restricted Reserves						
CP Debt Service	$ 98,384	$ —	$ —	$ —	$ —	—
Currently Authorized Projects ***	109,087,781	25,418,000	55,566,655	22,477,299	(2,940,701)	(11.6)%
SCW Operating and Capital Reserve	48,558,698	90,654,986	64,059,172	57,903,219	(32,751,767)	(36.1)%
Total Restricted Reserves	**$ 157,744,863**	**$ 116,072,986**	**$ 119,625,827**	**$ 80,380,518**	**$ (35,692,468)**	**(30.8)%**
TOTAL YEAR-END RESERVES	**$ 157,744,863**	**$ 116,072,986**	**$ 119,625,827**	**$ 80,380,518**	**$ (35,692,468)**	**(30.8)%**

Safe, Clean Water and Natural Flood Protection Fund Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 4,251,489	$ 5,126,096	$ 5,126,096	$ 5,317,772	$ 191,676	3.7%
Salary Savings Factor	—	(140,219)	(140,219)	(138,599)	1,620	(1.2)%
Services & Supplies	9,133,781	9,108,978	17,690,384	7,905,580	(1,203,398)	(13.2)%
Intra-District Charges	2,916,473	3,173,357	3,173,357	3,463,668	290,311	9.1%
OPERATING OUTLAY TOTAL	**$ 16,301,743**	**$ 17,268,212**	**$ 25,849,618**	**$ 16,548,421**	**$ (719,791)**	**(4.2)%**
DEBT SERVICE						
Services & Supplies	$ 346,847	$ 785,660	$ 785,660	$ 654,720	$ (130,940)	(16.7)%
Debt Service	435,448	2,316,000	2,316,000	1,095,000	(1,221,000)	(52.7)%
DEBT SERVICE TOTAL	**$ 782,295**	**$ 3,101,660**	**$ 3,101,660**	**$ 1,749,720**	**$ (1,351,940)**	**(43.6)%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 10,033,054	$ 10,963,703	$ 10,963,703	$ 11,393,876	$ 430,173	3.9%
Salary Savings Factor	—	(306,219)	(306,219)	(306,053)	166	(0.1)%
Services & Supplies	25,320,467	17,409,035	75,930,161	41,285,067	23,876,032	137.1%
Carry Forward Capital Projects	—	35,966,000	—	33,089,356	(2,876,644)	(8.0)%
Intra-District Charges	6,269,872	5,942,379	5,942,379	6,369,571	427,192	7.2%
CAPITAL PROJECTS TOTAL	**$ 41,623,393**	**$ 69,974,898**	**$ 92,530,024**	**$ 91,831,817**	**$ 21,856,919**	**31.2%**
TOTAL OUTLAYS****	**$ 58,707,431**	**$ 90,344,770**	**$ 121,481,302**	**$ 110,129,958**	**$ 19,785,188**	**21.9%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	Operations						
	26001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Watersheds
*	26031001	Watershed Revenue	92,714	108,426	124,170		Financial Planning and Management Services Division
	26041023	Emergency Response Upgrades	352,741	309,082	354,234		Watershed Stewardship & Planning Division
	26041024	Flood Risk Reduction Studies	932,640	966,093	1,183,502		Watershed Stewardship & Planning Division
*	26041047	Ecolgcal Data Collectn & Analy	282,160	963,566	520,496		Watershed Stewardship & Planning Division
	26061002	Rent Exp Clean Safe Ck 7/1/01+	93,220	168,410	243,559		Watershed Design & Construction Division
	26061004	Districtwide Salary Savings-26		(140,219)	(138,599)		Financial Planning and Management Services Division
	26061005	Flood Emrgncy Respnse Planning	101,388	296,578	236,125		Office of COO IT and Admin Services
	26061006	Pollution Prvtn Prtnrshp & Grt	1,001,868	870,723	356,376		Office of Chief of External Affairs
	26061007	Grants to Rest Habitat Access	2,071,177	1,895,576	1,726,512		Office of Chief of External Affairs
	26061008	Water Conservation Grants	14,540	124,833	136,654		Office of Chief of External Affairs
	26061010	Nitrate Treatment Systm Rebate	1,500	4,000	4,000		Water Supply Division
	26061012	Safe Clean Water Implementatn	373,106	579,027	607,595		Office of COO Watersheds
*	26061019	Supp Volunteer Cleanup Effort	409,807	189,708	205,559		Office of Chief of External Affairs
*	26761022	Watershed Good Neighbor Maint	669,189	535,323	704,586		Watershed Operations & Maintenance Division
*	26761023	Watershed Sediment Removal	469,842	689,979	846,464		Watershed Operations & Maintenance Division
*	26761075	Mgmt of Revegetation Projects	932,094	1,203,776	899,841		Watershed Operations & Maintenance Division
	26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	1,464,949	938,599	979,940		Watershed Stewardship & Planning Division
*	26761078	Vegetation Mangmnt for Access	554,628	539,352	581,719		Watershed Operations & Maintenance Division
	26761079	SCW E1.3-Flow Conveyance, Sed		213,292			Watershed Operations & Maintenance Division
*	26771011	Inter Agency Urban Runoff Prog	762,022	816,788	855,504		Watershed Stewardship & Planning Division
	26771027	Encampment Cleanup Program	968,820	765,073	922,108		Watershed Operations & Maintenance Division
*	26771031	HAZMAT Emergency Response	26,198	30,171	31,559		Office of COO IT and Admin Services

* Recipient projects
** Closed, combined or no current year funding
*** Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY 20. If the actual FY 20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	26771067	Stream Capacity Vegetation Con	1,815,124	1,759,156	2,528,905		Watershed Operations & Maintenance Division
	26771068	SCW E1.3-Flow Conveyance, Veg		4,000	65,492		Watershed Operations & Maintenance Division
	Total Operations		**13,389,728**	**13,931,312**	**14,076,298**		
	Operating Project						
	26042002	Fish Habitat Improvements	605,278	568,731	696,382		Watershed Stewardship & Planning Division
**	26072008	SCW D7 Conservation Habitat	1,010,168	1,000,000			Watershed Stewardship & Planning Division
	26752043	Impaired Water Bodies Imprvmts	1,296,570	1,768,169	1,775,742		Watershed Stewardship & Planning Division
	Total Operating Project		**2,912,015**	**3,336,900**	**2,472,123**		
	Debt Service						
	26993001	Commercial Paper Tax Exmpt SCW	782,295	3,101,660	1,749,720		Financial Planning and Management Services Division
	Total Debt Service		**782,295**	**3,101,660**	**1,749,720**		
	Capital						
	26044001	Almaden Lake Improvement	635,748	1,153,048	1,710,449	636	Watershed Design & Construction Division
	26044002	SCW Fish Passage Improvement	1,059,531	1,048,035		31,500	Watershed Design & Construction Division
	26044003	Ogier Ponds Planning Study	346,513	597,884		679,770	Watershed Stewardship & Planning Division
	26064023	Districtwide Salary Savings		(306,219)	(306,053)		Financial Planning and Management Services Division
	26074002	Sunnyvale East & West Channel	1,236,248	4,441,000	2,033,272	15,411,728	Water Utility Capital Division
*	26074030	CPS Training and Development	13,889				Water Utility Capital Division
*	26074033	CIP Development & Admin	316,514	472,905	498,938		Office of COO Watersheds
*	26074036	Survey Mgmt & Tech Support	247,812	192,956	318,713		Office of COO Watersheds
*	26074038	Capital Program Services Admin	2,517,435	2,449,355	2,849,631		Water Utility Capital Division
*	26074041	GS Capital Program Services			576,215		General Services Division
	26154002	Guadalupe Rv-Upr, 280-SPRR(R6	555,469	87,184		105,000	Watershed Design & Construction Division
	26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	1,807,601	368		9,030,000	Watershed Design & Construction Division
	26164001	HaleCreekEnhancementPilotStud	273,362	21,065	170,072	2,700,528	Watershed Design & Construction Division

* Recipient projects
** Closed, combined or no current year funding
*** Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY 20. If the actual FY 20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
26174041	Berryessa Calav/Old Pied Cor	713,958	171	26,609	25,891	Watershed Design & Construction Division
26174042	Berryessa Calav/Old Pied LER	15,014	1,000			Watershed Design & Construction Division
26174043	Coyote Creek, Montague-Tully	640,550	941,355	2,199,295	1,011,355	Watershed Stewardship & Planning Division
26174051	U. Llagas Ck, Reimburse E6b	4,850,021	1,983,000			Water Utility Capital Division
26174052	U. Llagas Ck, Nonreimburse E6a	2,781,604	9,741,000	46,274,138	(428,546)	Water Utility Capital Division
26174054	U.Llagas Ck Design B. Vsta Rd	14,694	260,999		945,000	Water Utility Capital Division
** 26204001	Los Gatos Creek Strm Restore		226,242		242	Watershed Stewardship & Planning Division
26244001	Permanente Ck, Bay-Fthill CSC	8,483,367	2,860,325		227,850	Watershed Design & Construction Division
26284001	San Francisquito Ck,BaySer CSC	46				Watershed Design & Construction Division
26284002	San Francisquito Early Implemt	5,565,553	2,805,465	370,158	782,742	Watershed Design & Construction Division
26324001	U Penitncia Crk Corp Coord SCW	649,022	1,304,916	1,381,884	1,259,916	Watershed Stewardship & Planning Division
26444001	SFBS EIA 11 Desgn & Part Const	7,456,330	2,994,236	5,310	(5,310)	Watershed Design & Construction Division
26444002	SFBS Other EIAs Planning	142,656			630,000	Watershed Design & Construction Division
26444003	SBSP Restoration Partnership	11,116			11,550	Watershed Stewardship & Planning Division
26564001	Main/Madrone PL Restoration	1,010,236	334,061		(737)	Water Utility Capital Division
26764001	IRP2 AddLine Valves	279,104	398,547	633,829	670,241	Water Utility Capital Division
Total Capital		**41,623,393**	**34,008,898**	**58,742,461**	**33,089,356**	
Total		**58,707,431**	**54,378,769**	**77,040,603**	**33,089,356**	

* Recipient projects
** Closed, combined or no current year funding
*** Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY 20. If the actual FY 20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by Valley Water Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when Valley Water will pay off the bonds associated with it. The Benefit Assessment funds are in place to account for both revenue received and expenditures by zone.

Starting from FY 2008-09, the following watershed funds are redefined as the Benefit Assessment Funds as a result of the watershed fund consolidation effort:

- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos Hills, Mountain View, and portions of Cupertino.
- The West Valley Watershed (Fund 22) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek, and Saratoga Creek. The geographic area includes portions of the cities of Sunnyvale, Cupertino, Monte Sereno, San Jose, Santa Clara, Campbell, Saratoga and the Town of Los Gatos.
- The Guadalupe Watershed (Fund 23) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek, and Alamitos Creek. The geographic area includes portions of the cities of Santa Clara, San Jose, Campbell, Monte Sereno, and the Town of Los Gatos.
- The Coyote Watershed (Fund 24) is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. The geographic area includes the city of Milpitas and portions of the cities of San Jose and Morgan Hill.
- The Uvas/Llagas Watershed (Fund 25) is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, the west branch of Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The Uvas/Llagas Watershed Fund is comprised of mostly unincorporated area and includes the city of Gilroy and portions of the cities of San Jose and Morgan Hill. The debt has been paid off.

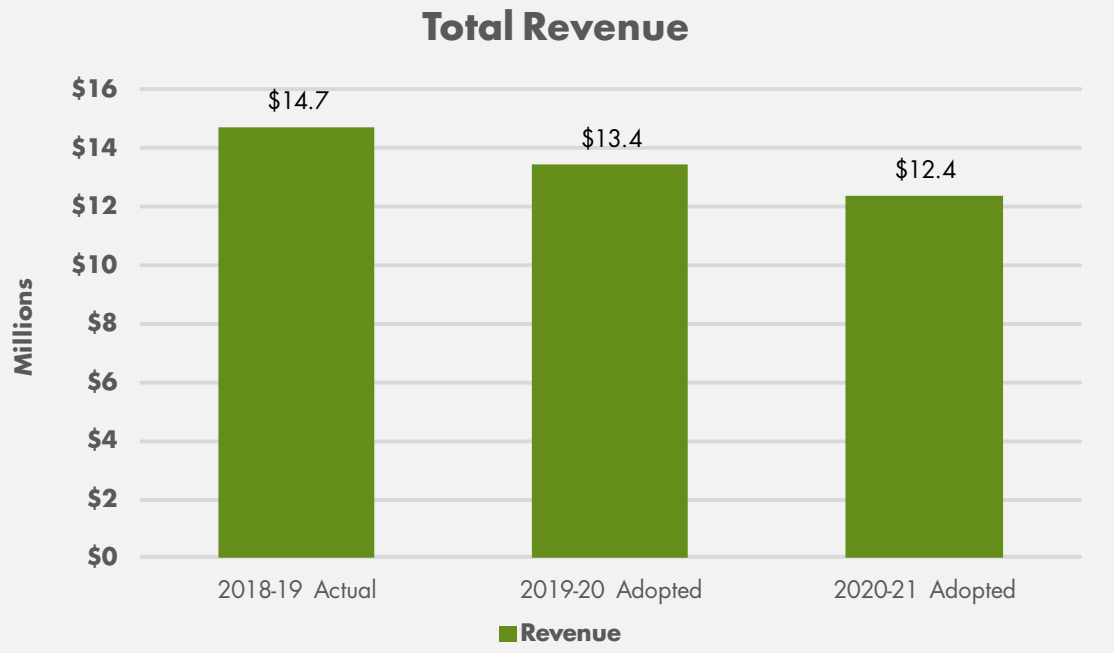
These funds are redefined as the benefit assessment funds comprised of voter-approved debt repayment phase of the benefit assessment program, with benefit assessment levied at 1.25 times the annual debt service. The excess amount over annual debt service will be transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure.

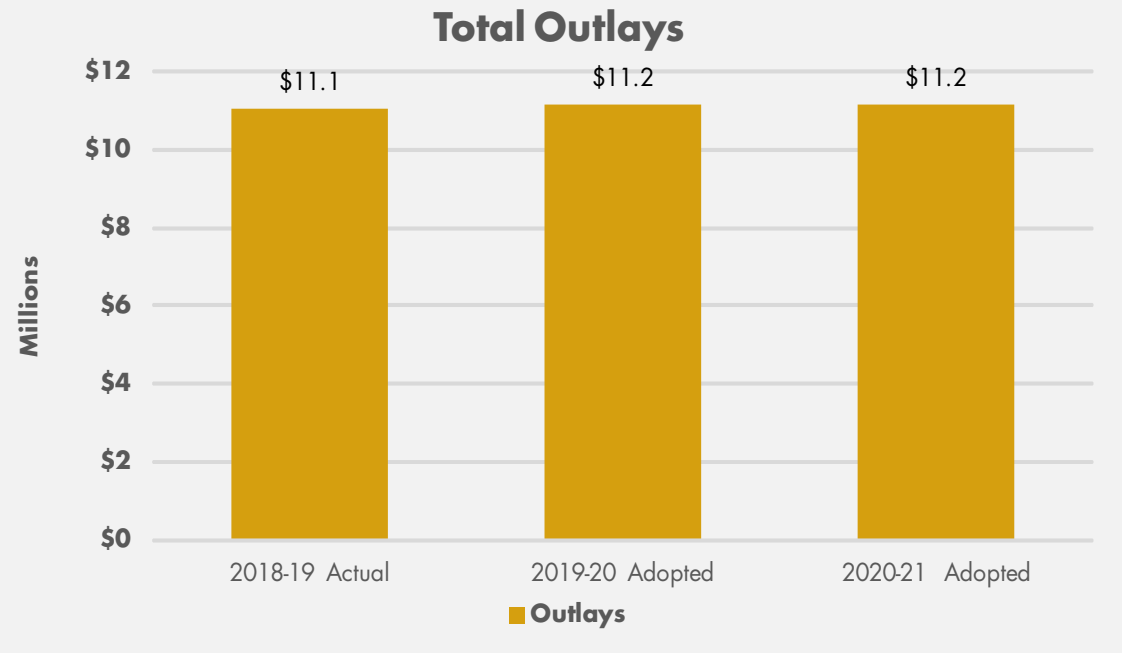
Benefit Assessments have been reduced in FY 2020-21 for a one-time $1.1 million operating transfer impacting the West Valley, Guadalupe, and Coyote Watershed zones due to excess debt service reserve funds that became available in FY 2018-19.

The benefit assessment for a single family residence is expected at approximately:

- $26.66/year for Lower Peninsula Watershed
- $11.71/year for West Valley Watershed
- $18.31/year for Guadalupe Watershed
- $19.44/year for Coyote Watershed

Benefit Assessment Funds





Benefit Assessment Funds

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 4,038,797	$ 2,704,524	$ 2,704,524	$ 2,707,674	$ 3,150	0.1%
West Valley Watershed	2,253,446	2,254,819	2,254,819	2,017,606	(237,213)	(10.5)%
Guadalupe Watershed	4,522,569	4,552,774	4,552,774	3,955,671	(597,103)	(13.1)%
Coyote Watershed	3,931,693	3,932,561	3,932,561	3,688,266	(244,295)	(6.2)%
TOTAL REVENUE	**$ 14,746,505**	**$ 13,444,678**	**$ 13,444,678**	**$ 12,369,217**	**$ (1,075,461)**	**(8.0)%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 3,353,460	$ 2,288,687	$ 2,288,687	$ 2,291,025	$ 2,338	0.1%
West Valley Watershed	1,848,981	1,859,205	1,859,205	1,860,898	1,693	0.1%
Guadalupe Watershed	3,709,190	3,731,148	3,731,148	3,732,482	1,334	0.0%
Coyote Watershed	2,160,402	3,274,109	3,274,109	3,277,242	3,133	0.1%
TOTAL OUTLAYS****	**$ 11,072,033**	**$ 11,153,149**	**$ 11,153,149**	**$ 11,161,647**	**$ 8,498**	**0.1%**
OTHER FINANCING SOURCES/(USES)						
Transfers In from WSS Fund	$ —	$ —	$ —	$ 1,097,604	$ 1,097,604	100.0%
Lower Peninsula Watershed	(685,337)	(415,837)	(415,836)	(416,648)	(811)	0.2%
West Valley Watershed Fund	(404,464)	(395,614)	(395,614)	(398,510)	(2,896)	0.7%
Guadalupe Watershed	(813,379)	(821,626)	(821,626)	(828,079)	(6,453)	0.8%
Coyote Watershed	(1,771,291)	(658,453)	(658,453)	(661,937)	(3,484)	0.5%
TOTAL OTHER SOURCES/(USES)	**$ (3,674,471)**	**$ (2,291,530)**	**$ (2,291,529)**	**$ (1,207,570)**	**$ 1,083,960**	**(47.3)%**
BALANCE AVAILABLE	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	

Outlay Summary by Account Type

OUTLAYS						
Services & Supplies						
Lower Peninsula Watershed	$ 2,397	$ 15,975	$ 15,975	$ 15,974	$ (1)	(0.0)%
West Valley Watershed	983	10,960	10,960	10,960	—	—
Guadalupe Watershed	1,805	23,052	23,052	23,051	(1)	(0.0)%
Coyote Watershed	1,977	17,752	17,752	17,751	(1)	(0.0)%
Total Services & Supplies	**$ 7,162**	**$ 67,739**	**$ 67,739**	**$ 67,736**	**$ (3)**	**(0.0)%**
Debt Service						
Lower Peninsula Watershed	$ 3,351,063	$ 2,272,712	$ 2,272,712	$ 2,275,051	$ 2,339	0.1%
West Valley Watershed	1,847,998	1,848,245	1,848,245	1,849,938	1,693	0.1%
Guadalupe Watershed	3,707,386	3,708,096	3,708,096	3,709,431	1,335	0.0%
Coyote Watershed	2,158,424	3,256,357	3,256,357	3,259,491	3,134	0.1%
Total Debt Service	**$ 11,064,871**	**$ 11,085,410**	**$ 11,085,410**	**$ 11,093,911**	**$ 8,501**	**0.1%**
TOTAL OUTLAYS****	**$ 11,072,033**	**$ 11,153,149**	**$ 11,153,149**	**$ 11,161,647**	**$ 8,498**	**0.1%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Lower Peninsula Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
Debt Service					
10993008	2017A COP Refunding LP WS	3,353,460	2,288,687	2,291,025	Financial Planning and Management Services Division
Total Debt Service		**3,353,460**	**2,288,687**	**2,291,025**	
Total		**3,353,460**	**2,288,687**	**2,291,025**	

Total Outlays - West Valley Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
Debt Service					
20993007	2012A COP Refunding WV WS	1,166,960	1,174,200	1,175,191	Financial Planning and Management Services Division
20993008	2017A COP Refunding WV WS	682,021	685,005	685,707	Financial Planning and Management Services Division
Total Debt Service		**1,848,981**	**1,859,205**	**1,860,898**	
Total		**1,848,981**	**1,859,205**	**1,860,898**	

Total Outlays - Guadalupe Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
Debt Service					
30993007	2012A COP Refunding Guad WS	2,918,876	2,936,985	2,939,465	Financial Planning and Management Services Division
30993008	2017A COP Refunding Guad WS	790,315	794,162	793,017	Financial Planning and Management Services Division
Total Debt Service		**3,709,190**	**3,731,148**	**3,732,482**	
Total		**3,709,190**	**3,731,148**	**3,732,482**	

Total Outlays - Coyote Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
Debt Service					
40993007	2012A COP Refunding Coyote WS	144,300	1,218,515	1,219,544	Financial Planning and Management Services Division
40993008	2017A COP Refunding Coyote WS	2,016,101	2,055,594	2,057,698	Financial Planning and Management Services Division
Total Debt Service		**2,160,402**	**3,274,109**	**3,277,242**	
Total		**2,160,402**	**3,274,109**	**3,277,242**	

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WATER ENTERPRISE AND STATE WATER PROJECT FUNDS

Fund Summaries

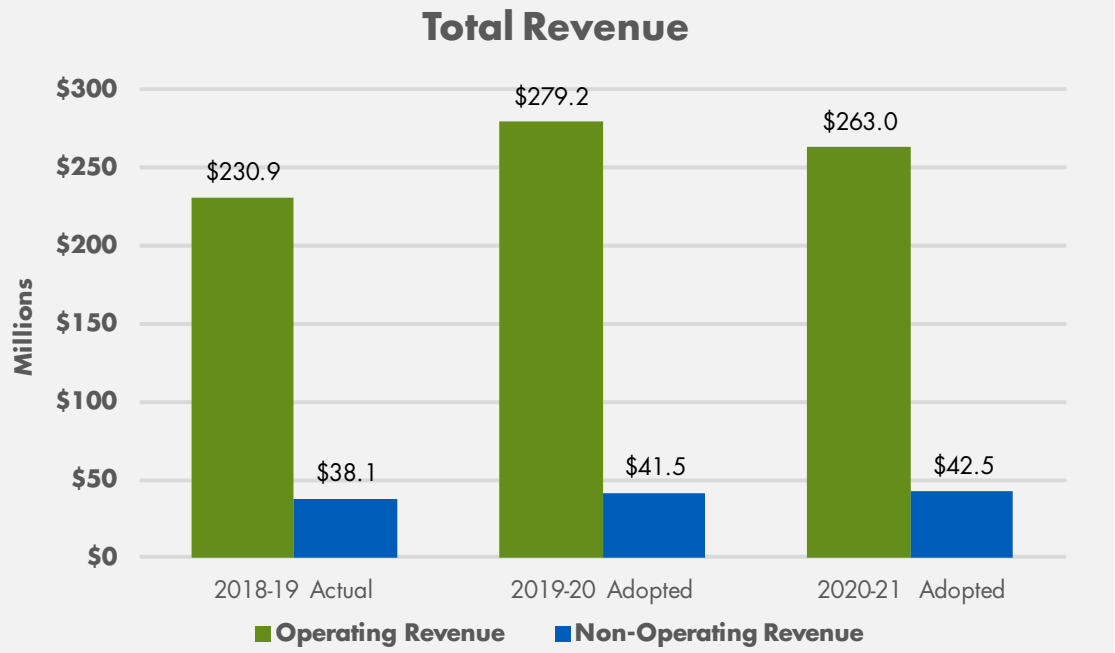
Overview

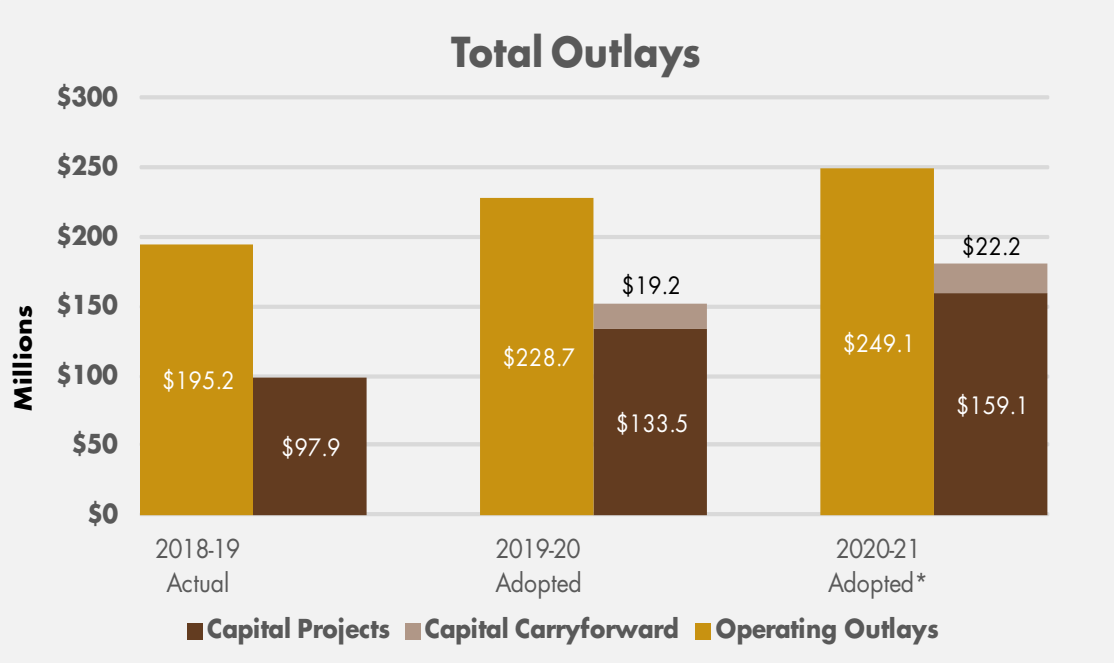
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer - Water Utility implements the program to protect and augment water supplies with two funds:

- The Water Utility Enterprise Fund (Fund 61)
- The State Water Project Fund (Fund 63)

Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

Water Enterprise and State Water Project Funds





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 81,922,689	$ 105,036,000	$ 98,050,000	$ 121,105,000	$ 16,069,000	15.3%
Treated Water Charges	143,998,219	169,519,000	156,495,000	137,399,000	(32,120,000)	(18.9)%
Surface & Recycled Water Charges	1,757,563	2,821,000	2,820,000	2,562,000	(259,000)	(9.2)%
Intergovermental Services	2,754,161	1,237,000	1,162,000	1,242,326	5,326	0.4%
Operating Other	516,051	625,000	700,000	700,000	75,000	12.0%
Total Operating Revenue	**$ 230,948,683**	**$ 279,238,000**	**$ 259,227,000**	**$ 263,008,326**	**$ (16,229,674)**	**(5.8)%**
Non-Operating Revenue						
Property Tax	$ 30,468,422	$ 25,451,232	$ 26,087,232	$ 26,217,000	$ 765,768	3.0%
Capital Reimbursements	1,148,667	11,856,000	10,916,000	11,358,000	(498,000)	(4.2)%
Interest Income *	5,066,270	2,800,000	5,300,000	3,500,000	700,000	25.0%
Non-Operating Other	1,390,225	1,392,000	1,392,191	1,400,554	8,554	0.6%
Total Non-Operating Revenue	**$ 38,073,584**	**$ 41,499,232**	**$ 43,695,423**	**$ 42,475,554**	**$ 976,322**	**2.4%**
TOTAL REVENUE	**$ 269,022,267**	**$ 320,737,232**	**$ 302,922,423**	**$ 305,483,880**	**$ (15,253,352)**	**(4.8)%**
OUTLAYS						
Operating Outlays						
Operations **	$ 164,587,190	$ 184,563,623	$ 187,857,623	$ 200,390,388	$ 15,826,765	8.6%
Operating Project	338,761	310,764	310,764	282,383	(28,381)	(9.1)%
Debt Service	30,270,733	43,874,295	43,874,295	48,424,345	4,550,050	10.4%
Total Operating Outlays	**$ 195,196,684**	**$ 228,748,682**	**$ 232,042,682**	**$ 249,097,116**	**$ 20,348,434**	**8.9%**
Capital Outlays						
Capital Projects	$ 97,937,212	$ 133,456,709	$ 152,767,588	$ 159,126,986	$ 25,670,277	19.2%
Carry Forward Capital Projects	—	19,239,000	—	22,211,117	2,972,117	15.4%
Total Capital Outlays	**$ 97,937,212**	**$ 152,695,709**	**$ 152,767,588**	**$ 181,338,103**	**$ 28,642,394**	**18.8%**
TOTAL OUTLAYS****	**$ 293,133,896**	**$ 381,444,391**	**$ 384,810,270**	**$ 430,435,219**	**$ 48,990,828**	**12.8%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 41,540,000	$ 59,559,000	$ 70,894,000	$ 135,500,000	$ 75,941,000	127.5%
Transfers In	1,228,000	1,013,000	1,064,430	1,941,774	928,774	91.7%
Transfers Out	(3,908,166)	(2,478,000)	(2,570,784)	(6,215,163)	(3,737,163)	150.8%
TOTAL OTHER SOURCES/(USES)	**$ 38,859,834**	**$ 58,094,000**	**$ 69,387,646**	**$ 131,226,611**	**$ 73,132,611**	**125.9%**
BALANCE AVAILABLE	**$ 14,748,205**	**$ (2,613,159)**	**$ (12,500,201)**	**$ 6,275,272**	**$ 8,888,431**	**(340.1)%**

Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 26,090,186	$ 23,467,000	$ 23,466,551	$ 25,878,053	$ 2,411,053	10.3%
WUE San Felipe Emergency	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
WUE State Water Project Tax Reserve	15,355,069	4,815,690	9,287,487	—	(4,815,690)	(100.0)%
CP Debt Service	188,842	—	—	—	—	—
WUE Public-Private Partnership (P3)	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
WUE SVAWPC	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
WUE Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5 Reserve	—	—	3,613,000	3,613,000	3,613,000	—
Total Restricted Reserves	**$ 71,527,199**	**$ 65,528,690**	**$ 73,942,148**	**$ 59,126,163**	**$ (6,402,527)**	**(9.8)%**
Committed Reserves						
Currently Authorized Projects ***	$ 52,251,978	$ 15,830,000	$ 31,597,099	$ 9,385,922	$ (6,444,078)	(40.7)%
Operating and Capital Reserve	12,951,918	41,436,874	18,691,647	61,994,081	20,557,207	49.6%
Total Committed Reserves	**$ 65,203,896**	**$ 57,266,874**	**$ 50,288,746**	**$ 71,380,003**	**$ 14,113,129**	**24.6%**
TOTAL YEAR-END RESERVES	**$ 136,731,095**	**$ 122,795,564**	**$ 124,230,894**	**$ 130,506,166**	**$ 7,710,602**	**6.3%**

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 51,310,127	$ 57,187,636	$ 57,187,636	$ 60,033,689	$ 2,846,053	5.0%
Salary Savings Factor	—	(1,535,415)	(1,535,415)	(1,541,842)	(6,427)	0.4%
Services & Supplies	81,819,902	97,562,915	100,856,915	107,502,473	9,939,558	10.2%
Intra-District Charges	31,795,923	31,659,250	31,659,250	34,678,451	3,019,201	9.5%
OPERATING OUTLAY TOTAL	**$ 164,925,952**	**$ 184,874,386**	**$ 188,168,386**	**$ 200,672,771**	**$ 15,798,385**	**8.5%**
DEBT SERVICE						
Services & Supplies	$ 530,275	$ 3,538,780	$ 3,538,780	$ 2,289,720	$ (1,249,060)	(35.3)%
Debt Service	29,740,459	40,335,515	40,335,515	46,134,625	5,799,110	14.4%
DEBT SERVICE TOTAL	**$ 30,270,734**	**$ 43,874,295**	**$ 43,874,295**	**$ 48,424,345**	**$ 4,550,050**	**10.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 12,247,695	$ 17,433,734	$ 17,433,734	$ 19,603,802	$ 2,170,068	12.4%
Salary Savings Factor	—	(484,632)	(484,632)	(527,201)	(42,569)	8.8%
Services & Supplies	78,020,737	106,946,135	126,257,014	128,911,849	21,965,714	20.5%
Carry Forward Capital Projects	—	19,239,000	—	22,211,117	2,972,117	15.4%
Intra-District Charges	7,668,780	9,561,473	9,561,473	11,138,536	1,577,063	16.5%
CAPITAL PROJECTS TOTAL	**$ 97,937,212**	**$ 152,695,710**	**$ 152,767,589**	**$ 181,338,103**	**$ 28,642,393**	**18.8%**
TOTAL OUTLAYS****	**$ 293,133,898**	**$ 381,444,391**	**$ 384,810,270**	**$ 430,435,219**	**$ 48,990,828**	**12.8%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Water Enterprise Fund

Overview

The Water Utility Enterprise is committed to providing safe, reliable water to Santa Clara County now and for future generations. Presently, it ensures the availability of water to 15 cities, farmers, and individual well owners spread over 1,300 square miles, with Valley Water-managed usage estimated to total 230,000 acre-feet (AF) in FY 2020-21.

This requires the operation of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 111,421 AF
- 17 miles of canals
- 5 water supply diversion dams
- 99 groundwater recharge ponds
- 86 miles of controlled in-stream recharge in the county
- 142 miles of pipelines
- 3 water treatment plants
- 1 Advanced Water Purification Center
- 3 Raw Water Pump Stations with over 37,000 combined horsepower
- 1 well field

Activities of the Water Utility are segregated into the Water Utility Enterprise Fund and the State Water Project Fund. For the Water Utility Enterprise Fund, revenue is derived from treated, surface and recycled water sales; groundwater production charges; federal, state and local grants; interest earnings; and ad valorem taxes as provided by law. The Water Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water Utility Enterprise Fund accounts for all costs except those of the State Water Project Fund. The State Water Project Fund accounts specifically for state water project tax revenue and state water project contractual costs.

Groundwater Production Charges

Valley Water's groundwater production charges pay for activities that benefit a particular zone. In June 2014, Valley Water commissioned a scientific study of its groundwater benefit zones. Based on the outcome of that study, on October 8, 2019, the Board of Directors directed staff to pursue modifying the existing groundwater benefit zones W-2 and W-5, and to create two new zones W-7 (Coyote Valley) and W-8 (below Uvas and Chesbro reservoirs) that would go into effect July 1, 2020. On April 28, 2020, the Board adopted the new and modified zones and provided direction to staff maintain water rates for FY 2020-21 flat, with no increase, and to return to the Board at mid-year with updated assessment of the local economy and its impact on Valley Water in light of the unprecedented level of economic uncertainty caused by the COVID-19 pandemic.

The following water production charges reflect the intent of both Board directives. The FY 2020-21 Budget includes North County (modified Zone W-2) groundwater production charges that reflect a 0.0% change from the prior year for municipal and industrial (M&I) water. The approved M&I groundwater production charge for North County is $1,374 per AF. The approved total treated water contract charge is $1,474 per AF. Both charges are the same as FY 2019-20. The agricultural water charge also reflects no change from the prior year continuing at $28.86 per AF. The FY 2020-21 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (modified Zone W-5) groundwater production charge reflects a 2.9% decrease over the prior year, or $467 per AF, for M&I water which also

reflects the adjustment to cost allocations based on the modified groundwater benefit zone. The Coyote Valley (new Zone W-7) groundwater production charge reflects a 0.0% change from the prior year, or $481 per AF, for M&I water reflecting Board direction to not implement a rate increase at this time. For residents and customers in the foothills below the Uvas and Chesbro Reservoirs (new Zone W-8), the groundwater production charge reflects a 32.0% decrease over the prior year or $327 per AF for M&I water which also reflects the adjustment to cost allocations based on the new groundwater benefit zone. For all South County Zones, the agricultural water charge reflects no change from the prior year charge of $28.86 per AF.

The charge reductions for zones W-5 and W-8 reflect lower reliance on Valley Water services in these new zones than had been allocated to the single larger zone W-5 in prior year.

The FY 2020-21 water use estimate of 230,000 AF represents a 9,000 AF, or 3.8%, reduction compared to the FY 2019-20 adopted water budget usage amount of 239,000, but is 5,000 AF, or 2%, higher than the projected year-end actual for FY 2019-20.

A table with historical and recommended water charges is included in the pages that follow.

FY 2020-21 Budget

The following summarizes the revenues, expenses, debt proceeds, and reserves in the Water Enterprise Fund Summary (Fund 61) statement on the following pages.

Estimated total revenue for FY 2020-21 is $305.5 million ($286.5 million for Fund 61 and $19.0 million for Fund 63), or 4.8% less than the FY 2019-20 budget. The approved water charges will generate $261.1 million in revenues from water usage. Capital reimbursements are estimated at $11.4, property tax revenues are projected to be $26.2 million, and interest earnings and other revenue are estimated to be $6.8 million for a total of $305.5 million. Staff also assumed a debt issuance of $135.5 million to help finance critical investments in water supply infrastructure.

Operations costs (excluding debt service) are expected to be $200.7 million for both funds. This represents an 8.5% increase from the FY 2019-20 Adopted Budget. The cost of purchased water from the federal and state projects continues to be the largest expense at $17.8 million and $29.6 million, respectively. The budget also includes $10.8 million to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project. Debt service is budgeted at $48.4 million.

In FY 2020-21 the capital appropriation is estimated to be $159.1 million and capital carry forward is estimated at $22.2 million. Total requirements of $181.3 million are to be met from a combination of current revenues, reserves, and debt financing.

Total reserves for both funds are $130.5 million, a increase of $7.7 million relative to FY 2019-20 Adopted Budget.

The debt service coverage ratio is targeted at 2.0 or higher to help ensure financial stability and continued high credit ratings. Discretionary reserves are targeted at Valley Water policy minimums or higher based on reasonably anticipated needs.

No new positions were added to the FY 2020-21 Budget.

Major Capital Projects

E 2.1 Current and future water supplies are reliable

- Pacheco Reservoir Expansion – Planning, Design
- Anderson Dam Seismic Retrofit – Design
- South County Recycled Water Pipeline – Construction
- Indirect Potable Reuse – Planning, Design

E 2.2 Raw water transmission & distribution assets ensure reliability and efficiency

- 10-Yr Pipeline Inspection and Rehabilitation – Planning, Design, Construction
- Distribution Systems Implementation Project – Planning, Design
- Coyote Pumping Plant ASD - Design

E 2.3 Reliable high quality drinking water is delivered

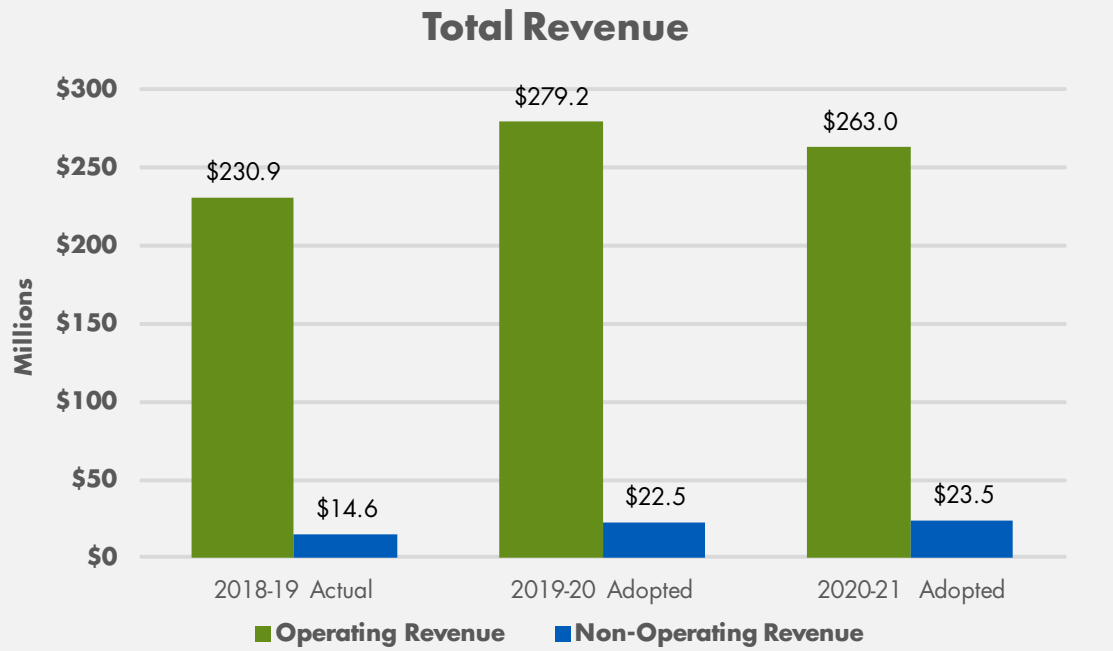
- RWTP Reliability Improvement – Construction
- RWTP Residuals Remediation – Design, Construction

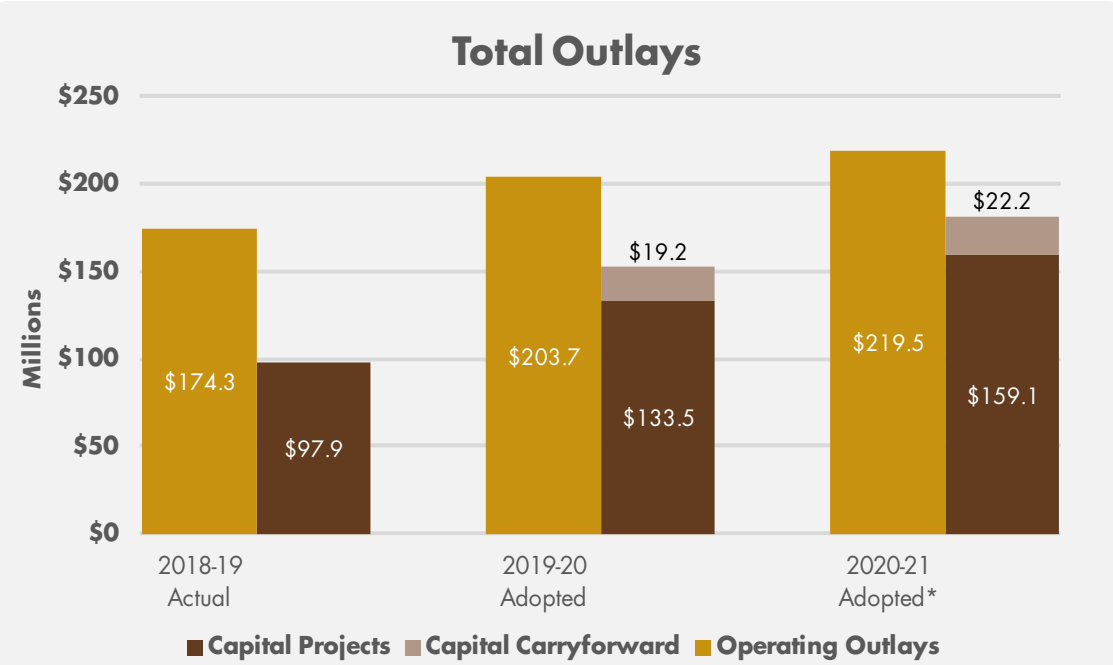
Significant Business Challenges/ Opportunities

- Support the Board in achieving the Board Budget Goals to ensure current and future water supply for municipalities, industries, agriculture, and the environment Is reliable.
- In Conjunction with the San Benito County Water District and Pacheco Pass Water District, continuing to explore the possibility of expanding the existing Pacheco Reservoir on the North Fork Pacheco Creek in south-east Santa Clara County. The project is envisioned to expand the 5,500-acre foot reservoir to 140,000-acre feet, thereby reducing the frequency and severity of water shortages, increasing emergency water supplies, improving water quality, providing flood protection for disadvantaged communities, and protecting and growing the native steelhead population.
- Continuing to advance the design, permitting and construction of the Anderson Dam Seismic Retrofit Project, and complying with a Federal Energy Regulatory Commission directive received on February 20, 2020 to enact additional interim risk reduction measures to ensure public safety prior to the start of construction. These measures included: revising the level of the reservoir seismic restriction, identifying and executing all activities necessary to safely drain the reservoir to dead pool beginning on October 1, 2020, expediting construction of the low level outlet tunnel, and quickly advancing design and permitting of the overall Seismic Retrofit Project.
- Continuing seismic retrofit design of Calero and Guadalupe dams; design of improvements at Almaden Dam; and seismic evaluations of Chesbro, Coyote, and Uvas dams.
- Managing operation of local reservoirs under seismic restrictions.
- Participating in the planning and evaluation of storage projects like Sites Reservoir and Los Vaqueros Reservoir. This includes evaluation of potential benefits to Valley Water as well as seeking funding opportunities to offset potential project costs.
- Continuing to resolve issues and pursue regulatory actions conducive to the best possible opportunity for Valley Water to participate in the California Delta Conveyance project.
- Within approved budgets, providing the required level of supply, treatment, delivery, and renewal of aging infrastructure; including implementing master plans for investments in raw and treated water infrastructure and control systems to meet current and future supply and treatment needs.
- Meeting or surpassing all drinking water standards and delivering approximately 110,000 acre feet of water to fulfill treated water contracts. Operating Rinconada, Penitencia, and Santa Teresa water treatment plants to continue to deliver treated water and coordinating operations of the SFPUC/ SCVWD Intertie during scheduled outages.
- Initiating next phases of construction of the Rinconada Water Treatment Plant Reliability Improvement Project.

- Completing the Countywide Water Reuse Master Plan effort and continuing development and implementation of agreements with wastewater agency partners to expand purified water supply systems and enhance long-term supply reliability.
- Coordinating the completion of the Fish Habitat Restoration Plan and CEQA documentation for fulfilling 2003 FAHCE settlement agreement and for completing the Anderson Dam Seismic Retrofit Project to support an application to the State Water Resources Control Board, and also coordinating the resolution of water rights issues in Coyote, Guadalupe and Stevens Creek watersheds.

Water Enterprise Fund (Fund 61)





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Water Enterprise Fund Summary (Fund 61)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 81,922,689	$ 105,036,000	$ 98,050,000	$ 121,105,000	$ 16,069,000	15.3%
Treated Water Charges	143,998,219	169,519,000	156,495,000	137,399,000	(32,120,000)	(18.9)%
Surface&Recycled Water Charges	1,757,563	2,821,000	2,820,000	2,562,000	(259,000)	(9.2)%
Intergovernmental Services	2,754,161	1,237,000	1,162,000	1,242,326	5,326	0.4%
Operating Other	516,051	625,000	700,000	700,000	75,000	12.0%
Total Operating Revenue	**$ 230,948,683**	**$ 279,238,000**	**$ 259,227,000**	**$ 263,008,326**	**$ (16,229,674)**	**(5.8)%**
Non-Operating Revenue						
Property Tax	$ 8,124,104	$ 7,451,232	$ 8,087,232	$ 8,217,000	$ 765,768	10.3%
Capital Reimbursements	1,148,667	11,856,000	10,916,000	11,358,000	(498,000)	(4.2)%
Interest Income *	5,066,270	2,800,000	5,300,000	3,500,000	700,000	25.0%
Nonoperating Other	265,282	392,000	392,191	400,554	8,554	2.2%
Total Non-Operating Revenue	**$ 14,604,323**	**$ 22,499,232**	**$ 24,695,423**	**$ 23,475,554**	**$ 976,322**	**4.3%**
TOTAL REVENUE	**$ 245,553,006**	**$ 301,737,232**	**$ 283,922,423**	**$ 286,483,880**	**$ (15,253,352)**	**(5.1)%**
OUTLAYS						
Operating Outlays						
Operations **	$ 143,695,017	$ 159,496,041	$ 162,790,041	$ 170,754,127	$ 11,258,086	7.1%
Operating Project	338,761	310,764	310,764	282,383	(28,381)	(9.1)%
Debt Service	30,270,733	43,874,295	43,874,295	48,424,345	4,550,050	10.4%
Total Operating Outlays	**$ 174,304,511**	**$ 203,681,100**	**$ 206,975,100**	**$ 219,460,855**	**$ 15,779,755**	**7.7%**
Capital Outlays						
Capital Projects	$ 97,937,212	$ 133,456,709	$ 152,767,588	$ 159,126,986	$ 25,670,277	19.2%
Carry Forward Capital Projects	—	19,239,000	—	22,211,117	2,972,117	15.4%
Total Capital Outlays	**$ 97,937,212**	**$ 152,695,709**	**$ 152,767,588**	**$ 181,338,103**	**$ 28,642,394**	**18.8%**
TOTAL OUTLAYS****	**$ 272,241,723**	**$ 356,376,809**	**$ 359,742,688**	**$ 400,798,958**	**$ 44,422,149**	**12.5%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 41,540,000	$ 59,559,000	$ 70,894,000	$ 135,500,000	$ 75,941,000	127.5%
Transfers In	1,228,000	1,013,000	1,064,430	593,000	(420,000)	(41.5)%
Transfers Out	(3,908,166)	(2,478,000)	(2,570,784)	(6,215,163)	(3,737,163)	150.8%
TOTAL OTHER SOURCES/(USES)	**$ 38,859,834**	**$ 58,094,000**	**$ 69,387,646**	**$ 129,877,837**	**$ 71,783,837**	**123.6%**
BALANCE AVAILABLE	**$ 12,171,117**	**$ 3,454,423**	**$ (6,432,619)**	**$ 15,562,759**	**$ 12,108,336**	**350.5%**

Water Enterprise Fund Summary (Fund 61) (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 26,090,186	$ 23,467,000	$ 23,466,551	$ 25,878,053	$ 2,411,053	10.3%
WUE San Felipe Emergency	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
CP Debt Service	188,842	—	—	—	—	—
WUE Public-Private Partnership (P3)	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
WUE SVAWPC	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
WUE Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5 Reserve	—	—	3,613,000	3,613,000	3,613,000	—
Total Restricted Reserves	**$ 56,172,130**	**$ 60,713,000**	**$ 64,654,661**	**$ 59,126,163**	**$ (1,586,837)**	**(2.6)%**
Committed Reserves						
Currently Authorized Projects ***	$ 52,251,978	$ 15,830,000	$ 31,597,099	$ 9,385,922	$ (6,444,078)	(40.7)%
Operating and Capital Reserve	12,951,918	41,436,874	18,691,647	61,994,081	20,557,207	49.6%
Total Committed Reserves	**$ 65,203,896**	**$ 57,266,874**	**$ 50,288,746**	**$ 71,380,003**	**$ 14,113,129**	**24.6%**
TOTAL YEAR-END RESERVES	**$ 121,376,026**	**$ 117,979,874**	**$ 114,943,407**	**$ 130,506,166**	**$ 12,526,292**	**10.6%**

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 51,310,127	$ 57,187,636	$ 57,187,636	$ 60,033,689	$ 2,846,053	5.0%
Salary Savings Factor	—	(1,535,415)	(1,535,415)	(1,541,842)	(6,427)	0.4%
Services & Supplies	60,927,729	72,495,333	75,789,333	77,866,212	5,370,879	7.4%
Intra-District Charges	31,795,923	31,659,250	31,659,250	34,678,451	3,019,201	9.5%
OPERATING OUTLAY TOTAL	**$ 144,033,779**	**$ 159,806,804**	**$ 163,100,804**	**$ 171,036,510**	**$ 11,229,706**	**7.0%**
DEBT SERVICE						
Services & Supplies	$ 530,275	$ 3,538,780	$ 3,538,780	$ 2,289,720	$ (1,249,060)	(35.3)%
Debt Service	29,740,459	40,335,515	40,335,515	46,134,625	5,799,110	14.4%
DEBT SERVICE TOTAL	**$ 30,270,734**	**$ 43,874,295**	**$ 43,874,295**	**$ 48,424,345**	**$ 4,550,050**	**10.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 12,247,695	$ 17,433,734	$ 17,433,734	$ 19,603,802	$ 2,170,068	12.4%
Salary Savings Factor	—	(484,632)	(484,632)	(527,201)	(42,569)	8.8%
Services & Supplies	78,020,737	106,946,135	126,257,014	128,911,849	21,965,714	20.5%
Carry Forward Capital Projects	—	19,239,000	—	22,211,117	2,972,117	15.4%
Intra-District Charges	7,668,780	9,561,473	9,561,473	11,138,536	1,577,063	16.5%
CAPITAL PROJECTS TOTAL	**$ 97,937,212**	**$ 152,695,710**	**$ 152,767,589**	**$ 181,338,103**	**$ 28,642,393**	**18.8%**
TOTAL OUTLAYS****	**$ 272,241,725**	**$ 356,376,809**	**$ 359,742,688**	**$ 400,798,958**	**$ 44,422,149**	**12.5%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Water Enterprise Charge Summary

	Adopted 2016/17	Adopted 2017/18	Adopted 2018/19	Adopted 2019/20	Adopted 2020/21
Groundwater Production & Untreated Surface Water (Basic User Charge)					
Zone W-2					
Agricultural	23.59	25.09	27.02	28.86	28.86
Non-Agricultural	1,072.00	1,175.00	1,289.00	1,374.00	1,374.00
Zone W-5					
Agricultural	23.59	25.09	27.02	28.86	28.86
Non-Agricultural	393.00	418.00	450.00	481.00	467.00
Zone W-7					
Agricultural	23.59	25.09	27.02	28.86	28.86
Non-Agricultural	393.00	418.00	450.00	481.00	481.00
Zone W-8					
Agricultural	23.59	25.09	27.02	28.86	28.86
Non-Agricultural	393.00	418.00	450.00	481.00	327.00
Water Master(1)	**27.46**	**33.36**	**35.93**	**37.50**	**37.50**
Treated Water					
Contract (Scheduled)(2)	1,172.00	1,275.00	1,389.00	1,474.00	1,474.00
Non-Contract(3)	1,122.00	1,225.00	1,339.00	1,574.00	1,574.00
Minimum Untreated Surface Water Charge					
Zone W-2 Agricultural	17.69	18.82	20.27	21.65	21.65
Zone W-5 Agricultural	17.69	18.82	20.27	21.65	21.65
Zone W-7 Agricultural	17.69	18.82	20.27	21.65	21.65
Zone W-8 Agricultural	17.69	18.82	20.27	21.65	21.65
Zone W-2 Non-Agricultural	804.00	881.25	966.75	1,030.50	1,030.50
Zone W-5 Non-Agricultural	294.75	313.50	337.50	360.75	350.25
Zone W-7 Non-Agricultural	294.75	313.50	337.50	360.75	360.75
Zone W-8 Non-Agricultural	294.75	313.50	337.50	360.75	245.25
Reclaimed Water					
Gilroy Reclamation Facility					
Agricultural	47.38	48.88	54.41	56.26	56.26
Non-Agricultural	373.00	398.00	430.00	461.00	447.00

(1) The surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge
(2) The total treated water contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the contract surcharge
(3) The total treated water non-contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the non-contract surcharge

Water Enterprise Cost Center Summary (Fund 61 and Fund 63)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Budget 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
						% Diff
SOURCE OF SUPPLY						
Operations	$ 83,127,593	$ 100,320,790	$ 102,045,790	$ 108,137,109	$ 7,816,319	7.8%
Capital	57,725,809	71,894,552	71,894,552	59,823,472	(12,071,080)	(16.8)%
Total	**$ 140,853,402**	**$ 172,215,342**	**$ 173,940,342**	**$ 167,960,581**	**$ (4,254,761)**	**(2.5)%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 17,122,141	$ 15,243,696	$ 16,587,696	$ 15,330,932	$ 87,236	0.6%
Capital	2,005,630	1,996,690	1,196,690	2,472,980	476,290	23.9%
Total	**$ 19,127,771**	**$ 17,240,386**	**$ 17,784,386**	**$ 17,803,912**	**$ 563,526**	**3.3%**
WATER TREATMENT						
Operations	$ 37,990,524	$ 40,213,423	$ 40,213,423	$ 43,914,012	$ 3,700,589	9.2%
Capital	26,934,524	28,978,091	37,178,091	46,795,224	17,817,133	61.5%
Total	**$ 64,925,048**	**$ 69,191,514**	**$ 77,391,514**	**$ 90,709,236**	**$ 21,517,722**	**31.1%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 1,537,890	$ 2,243,075	$ 2,243,075	$ 2,608,381	$ 365,306	16.3%
Capital	64,411	919,653	919,653	—	(919,653)	(100.0)%
Total	**$ 1,602,301**	**$ 3,162,728**	**$ 3,162,728**	**$ 2,608,381**	**$ (554,347)**	**(17.5)%**
ADMINISTRATION AND GENERAL						
Operations	$ 24,809,042	$ 26,542,639	$ 26,767,639	$ 30,399,953	$ 3,857,314	14.5%
Operating Projects	338,761	310,764	310,764	282,383	(28,381)	(9.1)%
Debt	30,270,733	43,874,295	43,874,295	48,424,345	4,550,050	10.4%
Capital	11,206,838	29,667,723	20,923,723	50,035,310	20,367,587	68.7%
Total	**$ 66,625,374**	**$ 100,395,421**	**$ 91,876,421**	**$ 129,141,991**	**$ 28,746,570**	**28.6%**
TOTAL WATER ENTERPRISE FUND	**$ 293,133,896**	**$ 362,205,391**	**$ 364,155,391**	**$ 408,224,101**	**$ 46,018,710**	**12.7%**
Carried Forward Capital Projects	**$ —**	**$ 19,239,000**	**$ 20,654,879**	**$ 22,211,117**	**$ 2,972,117**	**15.4%**
WUE FUND WITH CARRYFOWARD	**$ 293,133,896**	**$ 381,444,391**	**$ 384,810,270**	**$ 430,435,218**	**$ 48,990,827**	**12.8%**
FUND SUMMARY BY CATEGORY						
Operations	$ 164,587,190	$ 184,563,623	$ 187,857,623	$ 200,390,388	$ 15,826,764	8.6%
Operating Projects	338,761	310,764	310,764	282,383	(28,381)	(9.1)%
Debt	30,270,733	43,874,295	43,874,295	48,424,345	4,550,050	10.4%
Capital	97,937,212	133,456,709	132,112,709	159,126,986	25,670,277	19.2%
Carried Forward Capital Projects	—	19,239,000	20,654,879	22,211,117	2,972,117	15.4%
Total	**$ 293,133,896**	**$ 381,444,391**	**$ 384,810,270**	**$ 430,435,219**	**$ 48,990,827**	**12.8%**

Total Outlays - Source of Supply

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	Operations						
	91041012	Water Operations Planning	474,137	677,257	633,199		Raw Water Division
	91041018	Groundwater Management Program	3,951,258	4,442,250	4,941,336		Water Supply Division
	91061007	Districtwide Salary Savings-61		(1,535,415)	(1,541,842)		Financial Planning and Management Services Division
*	91061012	Facilities Env Compliance	43,000	37,995	40,067		Office of COO IT and Admin Services
	91081007	Dam Safety Program	1,093,018	1,599,528	1,723,238		Dam Safety and Capital Delivery Division
	91101004	Recycled & Purified Water Prog	5,518,487	5,805,754	5,874,536		Water Supply Division
	91111001	Water Rights	331,764	631,069	661,764		Raw Water Division
	91131004	Imported Water Program	4,437,055	4,744,497	5,549,068		Water Supply Division
	91131006	IW San Felipe Division Delvrs	20,961,336	23,080,467	17,833,695		Water Supply Division
	91131007	IW South Bay Aqueduct Delvrs	95,581	2,535,887	756,828		Water Supply Division
	91151001	Water Conservation Program	4,482,201	6,148,061	6,197,825		Water Supply Division
	91151012	Recycld/PurifiedWaterPublicEng	713,172	810,827	1,287,138		Office of Chief of External Affairs
	91151013	Water Banking Operations	5,488,926	2,501,870	3,815,605		Water Supply Division
	91211004	San Felipe Reach 1 Operation	608,799	755,963	641,395		Raw Water Division
	91211005	SFD Reach 1 Administration	6,224	4,056	5,164		Raw Water Division
	91211084	San Felipe Reach1 Ctrl and Ele	340,869	412,907	315,874		Treated Water Division
	91211085	SF Reach 1-Engineering - Other	80,879	220,036	289,392		Raw Water Division
	91211099	San Felipe Reach 1 Gen Maint	674,444	875,806	856,050		Raw Water Division
	91221002	San Felipe Reach 2 Operation	59,060	141,669	62,966		Raw Water Division
	91221006	SF Reach 2-Engineering - Other	12,315	216,438	177,786		Raw Water Division
	91221099	San Felipe Reach 2 Gen Maint	211,788	154,122	161,666		Raw Water Division
	91231002	San Felipe Reach 3 Operation	108,277	301,589	329,568		Raw Water Division
	91231084	San Felipe Reach3 Ctrl and Ele	221,545	232,836	313,977		Treated Water Division
	91231085	SF Reach 3-Engineering - Other	13,639	75,381	110,540		Raw Water Division
	91231099	San Felipe Reach 3 Gen Maint	682,534	1,052,224	1,047,805		Raw Water Division
	91251001	Transfer-Bethany Pipeline	355,000	1,940,241	1,020,858		Water Supply Division
	91281007	SVAWPC Facility Operations	2,163,605	2,428,854	2,514,643		Treated Water Division
	91281008	SVAWPC Facility Maintenance	1,896,338	1,784,953	2,379,062		Treated Water Division
	91441003	Desalination	1,506	73,334	63,692		Water Supply Division
	91451002	Well Ordinance Program	1,425,008	1,834,687	1,846,619		Water Supply Division
	91451005	Source Water Quality Mgmt	328,064	363,271	700,279		Treated Water Division
	91451011	Invasive Mussel Prevention	615,764	609,063	618,228		Treated Water Division

* Recipient projects
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Total Outlays - Source of Supply (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
91601001	Delta Conveyance Project	1,129,900	5,358,971	11,645,071		Water Supply Division
91761001	Local Res/Div Plan & Analysis	1,606,023	1,410,737	1,687,755		Raw Water Division
* 91761013	SCADA Systems Upgrades	18,440	213,838	108,313		Treated Water Division
91761099	Dams / Reservoir Gen Maint	2,085,465	3,312,185	3,509,019		Dam Safety and Capital Delivery Division
91951001	San Luis Low Point Improvement			322,671		Dam Safety and Capital Delivery Division
Total Operations		**62,235,420**	**75,253,208**	**78,500,848**		
Capital						
91084019	Dam Safety Seismic Stability	2,814,866	630,908	427,385	(35)	Dam Safety and Capital Delivery Division
91084020	Calero-Guad Dams Seismic Retro	231,387		1,365,690	198,810	Dam Safety and Capital Delivery Division
91094001	Land Rights-SC Recycled Water Pipeline			203,352		Water Utility Capital Division
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	418,411		247,563	7,904,037	Water Utility Capital Division
91094010	So. County Recycled Water Fund	101,632				Water Supply Division
91154007	Water Purchases Captl Project	10,056,930	10,410,713	10,776,941		Water Supply Division
91184008	SV Adv Wtr Purification Ctr	1,287				Water Utility Capital Division
91214001	Pacheco Conduit Rehabilitation	132,792				Raw Water Division
91214010	Small Caps, San Felipe R1	1,182,911	5,715,984	2,061,193		Raw Water Division
91224010	Small Caps, San Felipe R2	168,330	866,440	859,032		Raw Water Division
91234002	Coyote Pumping Plant ASD	675,510	1,026,846	2,116,473	320,846	Water Utility Capital Division
91234010	Small Caps, San Felipe R3	23,048	850,000	206,344		Raw Water Division
91234011	Coyote Warehouse	4,637,939	2,481,995	284,504	21,144	Water Utility Capital Division
91244001	Wolfe Rd Recycled Wtr Facility	164,436				Dam Safety and Capital Delivery Division
91304001	Indirect Potable Reuse-Plan	1,768,844	2,479,965	1,770,985	2,637,965	Water Utility Capital Division
91854001	Almaden Dam Improvements	3,000,721		167,789	(155,000)	Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	11,790,347	4,178,595	10,109,204	761,446	Dam Safety and Capital Delivery Division
91874004	Calero Dam SeisRetrfit Des&Con	1,770,683	407,999	900,613	197,521	Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRetf Des&Con	1,822,305	788,999	542,614	273,236	Dam Safety and Capital Delivery Division
91954002	Pacheco Reservoir ExpansionPrj	16,963,431	42,056,108	27,783,791	6,214,159	Dam Safety and Capital Delivery Division

* Recipient projects
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Total Outlays - Source of Supply (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
Total Capital		57,725,809	71,894,552	59,823,472	18,374,129	
Total		119,961,229	147,147,760	138,324,320	18,374,129	

* Recipient projects
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Total Outlays - Raw Water Transmission and Distribution

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	Operations						
	92041014	FAHCE/Three Creeks HCP Project	4,704,111	3,810,415	2,452,432		Watershed Stewardship & Planning Division
*	92061012	Facilities Env Compliance	77,400	68,390	72,121		Office of COO IT and Admin Services
	92261099	Vasona Pump Station Gen Main	71,855	199,688	140,000		Raw Water Division
	92761001	Raw Water T&D Gen'l Oper	1,541,439	1,512,655	1,602,491		Raw Water Division
	92761007	Rchrg / RW Fld Ops Pln & Anlys	(1,036)				Raw Water Division
	92761008	Recycled Water T&D Genrl Maint	125,549	288,863	282,352		Raw Water Division
	92761009	Recharge/RW Field Ops	4,434,568	3,173,414	3,324,883		Raw Water Division
	92761010	Rchrg / RW Field Fac Maint	2,674,846	2,064,317	2,281,474		Raw Water Division
	92761012	Untreated Surface Water Program	51,263	108,753	395,702		Raw Water Division
*	92761013	SCADA Systems Upgrades	10,537	122,193	137,196		Treated Water Division
	92761082	Raw Water T&D Ctrl and Electr	724,834	655,898	566,837		Treated Water Division
	92761083	Raw Water T&D Eng Other	153,100	518,253	936,244		Raw Water Division
	92761085	Anderson Hydrelctrc Fclty Main	73,871	163,433	168,438		Raw Water Division
	92761099	Raw Water T / D Gen Maint	1,997,687	2,077,782	2,325,503		Raw Water Division
	92781002	Raw Water Corrosion Control	482,117	479,641	645,259		Raw Water Division
	Total Operations		**17,122,141**	**15,243,696**	**15,330,932**		
	Capital						
	92144001	Pacheco/SC Conduit ROW ACQ	133,943		506,531	544,384	Water Utility Capital Division
	92224001	Pen Force Main Seismic Retrofi	66,201				Water Utility Capital Division
	92264001	Vasona Pump Station Upgrade	851,763	525,400	1,217,053	273	Water Utility Capital Division
	92304001	Almaden Valley Pipeline Replacement			667,800		Water Utility Capital Division
**	92374005	SCADA Remote Arch&Comm Upgrade	196,821	255,987		(422)	Water Utility Capital Division
	92764009	Small Caps, Raw Water T&D	756,902	1,215,303	81,597	303	Raw Water Division
	Total Capital		**2,005,630**	**1,996,690**	**2,472,980**	**544,538**	
	Total		**19,127,771**	**17,240,386**	**17,803,912**	**544,538**	

* Recipient projects
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Total Outlays - Water Treatment

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	Operations						
*	93061012	Facilities Env Compliance	524,598	463,535	488,818		Office of COO IT and Admin Services
	93081002	Treatment Plant Process & Commissioning			387,104		Treated Water Division
	93081008	W T General Water Quality	1,869,819	2,219,219	2,415,834		Treated Water Division
	93081009	Water Treatment Plant Engineer	78,790	678,842	394,746		Raw Water Division
	93231007	PWTP Landslide Monitoring	51,457	2,165			Dam Safety and Capital Delivery Division
	93231009	PWTP General Operations	5,150,710	5,224,820	5,868,631		Treated Water Division
	93231099	Penitencia WTP General Maint	2,937,852	2,490,903	3,086,137		Raw Water Division
	93281005	STWTP - General Operations	5,635,376	5,272,219	6,475,583		Treated Water Division
	93281099	Santa Teresa WTP General Maint	3,024,614	3,243,877	3,464,488		Raw Water Division
	93291012	RWTP General Operations	7,695,269	8,306,554	9,064,337		Treated Water Division
	93291099	Rinconada WTP General Maint	3,053,830	3,722,024	3,647,362		Raw Water Division
	93401002	Water District Laboratory	5,029,771	5,095,958	5,519,347		Treated Water Division
	93761001	SF/SCVWD Intertie General Ops	29,896	219,853	227,598		Treated Water Division
	93761004	Campbell Well Field Operations	87,455	86,860	103,653		Treated Water Division
	93761005	Campbell Well Field Maint	71,535	93,513	112,364		Raw Water Division
	93761006	Treated Water Ctrl & Elec Eng	2,420,373	2,316,887	2,112,457		Treated Water Division
*	93761013	SCADA Systems Upgrades	30,953	358,943	433,251		Treated Water Division
	93761099	SF/SCVWD Intertie Gen Maint	298,225	417,252	112,302		Raw Water Division
	Total Operations		**37,990,524**	**40,213,423**	**43,914,012**		
	Capital						
	93044001	WTP Implementation			1,024,008		Treated Water Division
	93084004	Wtr Trtmnt Plnt Electr Imprv		202,611	447,001	(389)	Water Utility Capital Division
	93234043	PWTP Clearwell Recoat & Repair	51,108				Water Utility Capital Division
	93234044	PWTP Residuals Management			682,500		Water Utility Capital Division
	93284013	STWTP Filter Media Replace		202,611	444,841	(389)	Water Utility Capital Division
	93294051	RWTP FRP Residuals Management	970,673			10,500	Water Utility Capital Division
	93294056	RWTP Treated Water Valves Upgd	33,444	20,999		144,550	Water Utility Capital Division
	93294057	RWTP Reliability Improvement	23,210,377	14,566,196	30,845,499	2,101	Water Utility Capital Division

* Recipient projects
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Total Outlays - Water Treatment (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
93294058	RWTP Residuals Remediation	1,065,450	2,632,305	10,315,904	625,746	Water Utility Capital Division
93764003	IRP2 WTP Blds Seismic Retrofit	85,651				Water Utility Capital Division
93764004	Small Caps, Water Treatment	1,517,821	11,353,369	3,035,471		Raw Water Division
Total Capital		**26,934,524**	**28,978,091**	**46,795,224**	**782,119**	
Total		**64,925,048**	**69,191,514**	**90,709,236**	**782,119**	

* Recipient projects
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Total Outlays - Treated Water Transmission and Distribution

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	Operations						
	94761005	TW T&D - Engineering - Other	178,474	422,017	549,867		Raw Water Division
*	94761013	SCADA Systems Upgrades	5,927	68,734	43,325		Treated Water Division
	94761099	Treated Water T/D Gen Maint	1,019,766	1,337,157	1,485,798		Raw Water Division
	94781001	Treated Water T/D Corrosion	333,723	415,167	529,391		Raw Water Division
	Total Operations		**1,537,890**	**2,243,075**	**2,608,381**		
	Capital						
	94084007	Treated Water Isolation Valves	14,319	741,653		89,250	Water Utility Capital Division
	94084008	Westside Retailer Interties	43,434			67,200	Water Utility Capital Division
	94384002	Pen Del Main Seismic Retrofit	6,658				Water Utility Capital Division
	94764006	Small Caps,Treated Water T&D		178,000			Raw Water Division
	Total Capital		**64,411**	**919,653**		**156,450**	
	Total		**1,602,301**	**3,162,728**	**2,608,381**	**156,450**	

* Recipient projects
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Total Outlays - Administration and General

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	Operations						
	95001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Water Utility
	95011003	WU Asset Protection Support	999,695	1,160,363	1,122,392		Watershed Design & Construction Division
*	95021008	Energy Management	202,313	203,381	320,117		Treated Water Division
*	95031002	Grants Management	406,371	400,066	529,834		Financial Planning and Management Services Division
*	95041039	Integrated Regional Water Mgmt	44,342	106,197	58,147		Water Supply Division
**	95061007	WUE Asset Management Plng Prgm	723				Raw Water Division
	95061012	Rental Expense San Pedro,MH	8,791	31,531	21,900		Watershed Design & Construction Division
**	95061037	WUE Training & Development	1,729,120				Office of COO Water Utility
	95061038	WUE Administration	7,974,711	6,874,245	8,439,173		Office of COO Water Utility
	95061043	WUE TW Div Admin Support	884,325	3,591,177	3,334,008		Treated Water Division
*	95061045	Asset Management Program	2,255,243	1,786,572	2,002,611		Treated Water Division
	95061047	WUE Technical Training Program	746,065	527,593	497,525		Office of COO Water Utility
*	95061048	Climate Change Adaptation/ Mtg.	296,473	151,612	94,374		Watershed Stewardship & Planning Division
*	95071041	Welding Services	355,937	454,772	491,437		General Services Division
	95101003	W2 W5 Water Revenue Program	1,360,462	1,408,255	1,587,852		Financial Planning and Management Services Division
	95111003	Water Use Measurement	1,689,707	1,823,659	1,970,018		Water Supply Division
*	95121003	LT Financial Planning & Rate S	576,989	533,943	592,002		Financial Planning and Management Services Division
	95151002	WU Customer Relations&Outreach	342,730	488,273	956,912		Office of Chief of External Affairs
	95741001	Water Supply Planning	1,067,474	1,467,404	1,851,054		Water Supply Division
*	95741042	Water Resorcs EnvPlng & Permtg	162,515	1,096,602	1,810,270		Watershed Operations & Maintenance Division
	95761003	SCADA Network Administration	304,910	232,883	241,278		Information Technology Division
*	95761071	Emergency Management	987,853	986,410	1,162,880		Office of COO IT and Admin Services
*	95771011	Inter Agency Urban Runoff Prog	461,832	495,023	518,487		Watershed Stewardship & Planning Division
*	95771031	HAZMAT Emergency Response	69,860	80,456	84,158		Office of COO IT and Admin Services

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Total Outlays - Administration and General (Continued)

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
*	95811043	Hydrologic Data Msrmt & Mgmt	884,320	1,009,927	1,019,096		Watershed Stewardship & Planning Division
*	95811046	Warehouse Services	558,195	653,979	750,157		General Services Division
*	95811049	X Valley Subsidence Survey	210,813	548,430	422,575		Office of COO Watersheds
*	95811054	District Real Property Adminis	227,273	329,887	421,696		Office of COO Watersheds
	Total Operations		**24,809,042**	**26,542,639**	**30,399,953**		
	Operating						
*	95762011	Tree Maintenance Program	338,761	310,764	282,383		Watershed Operations & Maintenance Division
	Total Operating		**338,761**	**310,764**	**282,383**		
	Debt Service						
	95993007	Commercial Paper Tax Exempt	340,069	1,851,890	1,690,860		Financial Planning and Management Services Division
	95993008	Commercial Paper Taxable	1,869,634	1,851,890	1,690,860		Financial Planning and Management Services Division
	95993012	2006B WUE Refunding (Taxable)	1,781,239	1,813,106	1,816,101		Financial Planning and Management Services Division
	95993014	2007B WU Revenue COPs(Taxable)	2,517,972	3,260,000			Financial Planning and Management Services Division
	95993015	2016A WU Ref Rev Bond(TxExmpt)	5,318,125	5,350,750	5,350,750		Financial Planning and Management Services Division
	95993016	2016B WU Ref Rev Bond(Taxable)	3,230,621	3,244,621	3,244,621		Financial Planning and Management Services Division
	95993017	WU COP 2016C (Tax-Exempt)	4,792,436	5,122,250	5,073,000		Financial Planning and Management Services Division
	95993018	WU COP 2016D (Taxable)	5,696,061	5,609,741	5,665,657		Financial Planning and Management Services Division
	95993019	WU Rev Bond 2017A (Tax Exempt)	4,360,950	4,385,500	4,396,500		Financial Planning and Management Services Division
	95993022	WU Rev Bond 2019A (Tax-Exempt)	76,125	1,595,800	1,024,750		Financial Planning and Management Services Division
	95993023	WU Rev Bond 2019B (Taxable)	287,500	6,309,024	4,519,910		Financial Planning and Management Services Division
	95993024	WU Rev Bond 2019C (Taxable)			2,790,179		Financial Planning and Management Services Division
	95993025	WU Rev Bond 2020A (Tax-Exempt)		1,394,780	2,686,670		Financial Planning and Management Services Division
	95993026	WU Rev Bond 2020B (Taxable)		2,084,944	5,164,487		Financial Planning and Management Services Division

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Total Outlays - Administration and General (Continued)

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
	95993027	WU Ref Rev Bond 2021A (Tax-Exempt)			1,660,000		Financial Planning and Management Services Division
	95993028	WU Ref Rev Bond 2021B (Taxable)			1,650,000		Financial Planning and Management Services Division
	Total Debt Service		**30,270,733**	**43,874,295**	**48,424,345**		
	Capital						
	95044001	Distribution Systems Implementation			2,000,000		Water Supply Division
	95044002	SCADA Implementation			1,365,200		Treated Water Division
	95064011	Districtwide Salary Savings-61		(484,632)	(527,201)		Financial Planning and Management Services Division
	95074001	Capital Warranty Services	131,474		26,316,821	(67,569)	Water Utility Capital Division
*	95074030	WU Capital Training & Dvlpment	435,195				Water Utility Capital Division
*	95074033	CIP Development & Admin	395,642	434,562	411,624		Office of COO Watersheds
*	95074036	Survey Mgmt & Tech Support	309,766	177,311	262,938		Office of COO Watersheds
*	95074038	Capital Progrm Srvcs Admin	3,146,793	2,250,758	2,350,946		Water Utility Capital Division
	95074039	Cap Construction Mgmt System		976,689	156,511	876,689	Office of COO Water Utility
*	95074041	GS Capital Program Services			475,378		General Services Division
	95084002	10-Yr PL Inspection and Rehab	6,575,267	26,129,073	17,223,093	1,544,817	Water Utility Capital Division
	95274003	WU Computer Network Modrnizatn	212,702	183,964			Information Technology Division
	Total Capital		**11,206,838**	**29,667,723**	**50,035,310**	**2,353,937**	
	Total		**66,625,375**	**100,395,422**	**129,141,991**	**2,353,937**	

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Water Enterprise Summary by Zone

	Budgetary Basis Basis Actual 2018-2019	Adopted Budget 2019-20	Estimated Actual 2019-20	Adopted Budget 2020-21	Percent Change
Zone W2 North County					
Allocated Revenue					
Operating Revenue	$ 217,393,475	$ 263,997,782	$ 244,005,473	$ 247,649,090	(6.2)%
Non-operating Revenue	35,024,243	38,793,593	40,853,426	39,991,513	3.1%
Total Allocated Revenue	**$ 252,417,718**	**$ 302,791,375**	**$ 284,858,899**	**$ 287,640,603**	**(5.0)%**
Allocated Operating Outlays					
Operations	$ 146,339,563	$ 164,677,739	$ 167,295,623	$ 178,898,506	8.6%
Operating Projects	294,045	268,500	268,500	218,282	(18.7)%
Debt Service	30,270,732	43,874,295	43,874,295	48,424,345	10.4%
Total Allocated Operating Outlays	**$ 176,904,340**	**$ 208,820,534**	**$ 211,438,418**	**$ 227,541,133**	**9.0%**
Balance Available for Capital/Reserve	75,513,378	93,970,841	73,420,481	60,099,470	(36.0)%
Capital Appropriations	**$ 97,937,212**	**$ 152,695,709**	**$ 152,767,588**	**$ 181,338,103**	**18.8%**
Other Financing Sources					
Bond Proceeds	$ —	$ 59,559,000	$ 70,894,000	$ 135,500,000	127.5%
Commercial Paper Proceeds	41,540,000	—	—	—	—
Transfers In	1,228,000	1,013,000	1,064,430	1,941,774	91.7%
Transfers Out	(3,908,166)	(2,478,000)	(2,570,784)	(6,215,163)	150.8%
Total Other Financing Sources/(Uses)	**$ 38,859,834**	**$ 58,094,000**	**$ 69,387,646**	**$ 131,226,611**	**125.9%**
Zone W5 Open Space Credit	(7,383,616)	(7,598,105)	(7,989,640)	(8,710,885)	14.6%
Zone W5 Capital Amortization	5,482,725	6,692,364	7,116,649	6,845,914	2.3%
Zone W5 Interest (Earnings)/Payments	(312,629)	(254,384)	(261,747)	(252,927)	(0.6)%
Balance Available for W2	**$ 14,222,480**	**$ (1,790,993)**	**$ (11,094,199)**	**$ 7,870,080**	**(539.4)%**
Existing Zone W5 South County					
Allocated Revenue					
Operating Revenue	$ 13,555,207	$ 15,240,218	$ 15,221,527	$ —	(100.0)%
Non-operating Revenue	3,049,340	2,705,639	2,841,998	—	(100.0)%
Total Allocated Revenue	**$ 16,604,547**	**$ 17,945,857**	**$ 18,063,525**	**$ —**	**(100.0)%**
Modified Zone W5 South County					
Allocated Revenue					
Operating Revenue	$ —	$ —	$ —	$ 10,447,532	—
Non-operating Revenue	—	—	—	1,889,005	—
Total Allocated Revenue	**$ —**	**$ —**	**$ —**	**$ 12,336,537**	**—**
New Zone W7 South County					
Allocated Revenue					
Operating Revenue	$ —	$ —	$ —	$ 4,751,325	—
Non-operating Revenue	—	—	—	550,102	—
Total Allocated Revenue	**$ —**	**$ —**	**$ —**	**$ 5,301,427**	**—**
New Zone W8 South County					
Allocated Revenue					
Operating Revenue	$ —	$ —	$ —	$ 160,378	—
Non-operating Revenue	—	—	—	44,935	—
Total Allocated Revenue	**$ —**	**$ —**	**$ —**	**$ 205,313**	**—**

Water Enterprise Summary by Zone (Continued)

	Budgetary Basis Basis Actual 2018-2019	Adopted Budget 2019-20	Estimated Actual 2019-20	Adopted Budget 2020-21	Percent Change
Total South County Revenue for New and Modified Zones					
Operating Revenue	$ —	$ —	$ —	$ 15,359,235	—
Non-operating Revenue	—	—	—	2,484,042	—
Total Allocated Revenue	**$ —**	**$ —**	**$ —**	**$ 17,843,277**	**—**
Open Space Credit	7,383,616	7,598,105	7,989,640	8,710,885	14.6%
Total Current Resources	**$ 23,988,163**	**$ 25,543,962**	**$ 26,053,165**	**$ 26,554,162**	**4.0%**
Allocated Costs					
Operations	$ 14,055,361	$ 15,108,227	$ 15,784,343	$ 18,328,184	21.3%
Operating Projects	44,716	42,264	42,264	64,101	51.7%
Imported Water Purchases	4,192,267	4,777,657	4,777,657	3,163,697	(33.8)%
Total Allocated Outlays	**$ 18,292,344**	**$ 19,928,148**	**$ 20,604,264**	**$ 21,555,982**	**8.2%**
Balance Available for Capital/Reserve	5,695,819	5,615,814	5,448,901	4,998,180	(11.0)%
Interest (earned)/due Utility Reserves	(312,629)	(254,384)	(261,747)	(252,927)	(0.6)%
Total Capital Amortization	5,482,725	6,692,364	7,116,649	6,845,914	2.3%
Balance Available/(Deficit) for Zone W5	**$ 525,723**	**$ (822,166)**	**$ (1,406,001)**	**$ (1,594,807)**	**94.0%**
Total Balance Available/(Deficit)	**$ 14,748,203**	**$ (2,613,159)**	**$ (12,500,200)**	**$ 6,275,273**	**(340.1)%**

Water Utility Cost Allocation

Project #	Project Name	South County Share by Zone: Modified Zone W-5	South County Share by Zone: New Zone W-7	South County Share by Zone: New Zone W-8	North County Share: Zone W-2	Adopted 2020-2021	Basis of Allocation
Operations							
91041012	Water Operations Planning	$ 66,486	$ 34,826	$ 633	$ 531,254	$ 633,199	Raw Water Deliveries
91041018	Groundwater Management Protocols	1,640,524	469,427	34,589	2,796,797	4,941,336	Groundwater Production Ratio
91061007	Districtwide Salary Savings	(266,739)	(77,092)	(6,167)	(1,191,844)	(1,541,842)	Water Usage Ratio
91061012	Environmental Compliance Support	4,207	2,204	40	33,616	40,067	Raw Water Deliveries
91081007	Dam Safety Program	347,577	31,880	6,893	1,336,888	1,723,238	Program Benefit Calculation
91101004	Recycled Water Program	381,845	—	—	5,492,692	5,874,536	Population
91111001	Water Rights and Accounting	69,485	36,397	662	555,220	661,764	Raw Water Deliveries
91131004	Delta Policy & Imported Water Program	265,800	320,736	—	4,962,531	5,549,068	Imported Water Ratio
91131006	San Felipe Division Deliveries	1,433,829	1,729,868	—	14,669,998	17,833,695	Program Benefit Calculation
91131007	South Bay Aqueduct Deliveries	—	—	—	756,828	756,828	No South County Benefit
91131008	State Water Project Costs	—	—	—	29,636,261	29,636,261	No South County Benefit
91151001	Water Conservation Program	539,211	24,791	24,791	5,609,031	6,197,825	Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	83,664	—	—	1,203,475	1,287,138	Population
91151013	Water Banking Operations	182,767	220,542	—	3,412,296	3,815,605	Imported Water Ratio
91211004	San Felipe Reach 1 Operations	51,312	62,215	—	527,868	641,395	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	413	501	—	4,250	5,164	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	25,270	30,640	—	259,965	315,874	CVP Imported Water Ratio
91211085	San Felipe Reach 1 Eng Other	23,151	28,071	—	238,170	289,392	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	68,484	83,037	—	704,529	856,050	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operations	5,037	6,108	—	51,821	62,966	CVP Imported Water Ratio
91221006	San Felipe Reach 2 Eng Other	14,223	17,245	—	146,318	177,786	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	12,933	15,682	—	133,051	161,666	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operations	26,365	31,968	—	271,234	329,568	CVP Imported Water Ratio

Water Utility Cost Allocation (Continued)

		South County Share by Zone			North County Share		
Project #	Project Name	Modified Zone W-5	New Zone W-7	New Zone W-8	Zone W-2	Adopted 2020-2021	Basis of Allocation
91231084	San Felipe Reach3 Ctrl and Ele	25,118	30,456	—	258,403	313,977	CVP Imported Water Ratio
91231085	San Felipe Reach 3 Eng Other	8,843	10,722	—	90,974	110,540	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	83,824	101,637	—	862,343	1,047,805	CVP Imported Water Ratio
91251001	Los Vaqueros-Bethany Transfer PL Placeholder	—	—	—	1,020,858	1,020,858	No South County Benefit
91281007	SVAWPC Facility Operations	—	—	—	2,514,643	2,514,643	No South County Benefit
91281008	SVAWPC Facility Maintenance	—	—	—	2,379,062	2,379,062	No South County Benefit
91441003	Desalination	11,019	3,185	255	49,234	63,692	Water Usage Ratio
91451002	Well Ordinance Program	112,644	33,239	1,847	1,698,889	1,846,619	Well Permits and Inpections
91451005	Source Water Quality Management	121,148	35,014	2,801	541,316	700,279	Water Usage Ratio
91451011	Invasive Mussel Prevention	64,914	34,003	618	518,693	618,228	Raw Water Deliveries
91601001	Delta Conveyance	557,799	673,085	—	10,414,187	11,645,071	Imported Water Ratio
91761001	Local Reservoir & Diversion Ops Planning & Analysis	291,982	84,388	6,751	1,304,634	1,687,755	Water Usage Ratio
91761013	SCADA Systems Upgrade	11,373	5,957	108	90,874	108,313	Raw Water Deliveries
91761099	Dams & Resevoir Gen Maint	675,486	61,759	13,334	2,758,440	3,509,019	Program Benefit Calculation
91951001	San Luis Lowpoint Improvement Program	25,814	31,299	—	265,559	322,671	CVP Imported Water Ratio
92041014	FAHCE/Three Creeks HCP Project	66,216	78,478	—	2,307,739	2,452,432	Coyote Water Supply Ratio
92061012	Environmental Compliance Support	7,573	3,967	72	60,509	72,121	Raw Water Deliveries
92261099	Vasona Pump Station General Maintenance	—	—	—	140,000	140,000	No South County Benefit
92761001	Raw Water T&D Gen'l Oper	168,262	88,137	1,602	1,344,490	1,602,491	Raw Water Deliveries
92761008	Recycled Water T&D General Maint	282,352	—	—	(1)	282,352	Benefits Only South County
92761009	Recharge/RW Field Ops	807,947	408,961	3,325	2,104,651	3,324,883	Groundwater Recharge Ratio
92761010	Recharge/RW Field Fac Maint	554,398	280,621	2,281	1,444,174	2,281,474	Groundwater Recharge Ratio
92761012	Untreated Water Program Planning & Analysis	114,002	126,783	4,828	150,090	395,702	Untreated Water Deliveries Ratio
92761013	SCADA Systems Upgrade	14,406	7,546	137	115,108	137,196	Raw Water Deliveries
92761082	Raw Water T&D Ctrl and Elec Eng	59,518	31,176	567	475,576	566,837	Raw Water Deliveries

Water Utility Cost Allocation (Continued)

		South County Share by Zone			North County Share		
Project #	Project Name	Modified Zone W-5	New Zone W-7	New Zone W-8	Zone W-2	Adopted 2020-2021	Basis of Allocation
92761083	Raw Water T&D Eng Othr	98,306	51,493	936	785,508	936,244	Raw Water Deliveries
92761085	Anderson Hydrelectrc Fclty Main	13,475	16,338	—	138,625	168,438	Anderson Water Deliveries Ratio
92761099	Raw Water Trans & Dist Gen Mnt	244,178	127,903	2,326	1,951,097	2,325,503	Raw Water Deliveries
92781002	RW Corrosion Control	67,752	35,489	645	541,372	645,259	Raw Water Deliveries
93061012	Environmental Compliance Support	—	—	—	488,818	488,818	No South County Benefit
93081002	Treatment Plant Process & Commissioning	—	—	—	387,104	387,104	No South County Benefit
93081008	W T General Water Quality	—	—	—	2,415,834	2,415,834	No South County Benefit
93081009	Water Treatment Plant - Engineering Other	—	—	—	394,746	394,746	No South County Benefit
93231009	PWTP Operations General	—	—	—	5,868,631	5,868,631	No South County Benefit
93231099	Penitencia WTP General Maint	—	—	—	3,086,137	3,086,137	No South County Benefit
93281005	STWTP - General Operations	—	—	—	6,475,583	6,475,583	No South County Benefit
93281099	Santa Teresa Wtr General Maint	—	—	—	3,464,488	3,464,488	No South County Benefit
93291012	RWTP General Operations	—	—	—	9,064,337	9,064,337	No South County Benefit
93291099	Rinconada WTP General Maint	—	—	—	3,647,362	3,647,362	No South County Benefit
93401002	Wtr District Laboratory	438,788	45,259	1,656	5,033,644	5,519,347	Lab Analyses
93761001	SF/SCVWD Intertie General Oper	—	—	—	227,598	227,598	No South County Benefit
93761004	Campbell Wellfield Operations	—	—	—	103,653	103,653	No South County Benefit
93761005	Campbell Wellfield Maintenance	—	—	—	112,364	112,364	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	—	—	—	2,112,457	2,112,457	No South County Benefit
93761013	SCADA Systems Upgrade	—	—	—	433,251	433,251	No South County Benefit
93761099	SF/SCVWD Intertie General Maint	—	—	—	112,302	112,302	No South County Benefit
94761005	Treated Water T&D IPU Ops Eng	—	—	—	549,867	549,867	No South County Benefit
94761013	SCADA Systems Upgrade	—	—	—	43,325	43,325	No South County Benefit
94761099	Treated Water T&D Gen Maint	—	—	—	1,485,798	1,485,798	No South County Benefit
94781001	TW T&D Corrosion Control	—	—	—	529,391	529,391	No South County Benefit
95001090	Unscoped Operation Activities	17,300	5,000	400	77,300	100,000	Water Usage Ratio

Water Utility Cost Allocation (Continued)

		South County Share by Zone			North County Share		
Project #	Project Name	Modified Zone W-5	New Zone W-7	New Zone W-8	Zone W-2	Adopted 2020-2021	Basis of Allocation
95011003	Asset Protection Support	21,438	6,173	449	1,094,332	1,122,392	Program Benefit Calculation
95021008	Electrical Power Support	3,713	1,088	128	315,188	320,117	Labor Hours
95031002	Grants Management	148,406	43,393	3,179	334,855	529,834	Program Benefit Calculation
95041039	Integrated Regional Water Mgmt	10,059	2,907	233	44,948	58,147	Water Usage Ratio
95061012	Residntl Rental Exp San Pedro, MH	21,900	—	—	—	21,900	Benefits only South County
95061038	WUE Administration	1,459,977	421,959	33,757	6,523,480	8,439,173	Water Usage Ratio
95061043	WUE ER Response Planning & Implement	—	—	—	3,334,008	3,334,008	No South County Benefit
95061045	District Asset Management Framework	346,452	100,131	8,010	1,548,018	2,002,611	Water Usage Ratio
95061047	WU Technical Training Program	86,072	24,876	1,990	384,586	497,525	Water Usage Ratio
95061048	Climate Change Adaptation/Mitg	16,327	4,719	377	72,951	94,374	Water Usage Ratio
95071041	Welding Services	5,996	1,769	147	483,525	491,437	Program Benefit Calculation
95101003	W2 W5 Wtr Revenue Program	761,534	222,617	16,196	587,506	1,587,852	Labor Hours
95111003	Water Use Measurement General	650,106	187,152	13,790	1,118,970	1,970,018	Labor Hours
95121003	Long Term Financial Planning	102,416	29,600	2,368	457,617	592,002	Water Usage Ratio
95151002	Water Utlity Customer Relations	53,587	5,741	2,871	894,713	956,912	Population
95741001	WUE Long-term Planning	320,232	92,553	7,404	1,430,865	1,851,054	Water Usage Ratio
95741042	Water Resources EnvPlng and Permitting	81,281	23,715	1,810	1,703,464	1,810,270	Program Benefit Calculation
95761003	SCADA Network Administration	25,334	13,270	241	202,432	241,278	Raw Water Deliveries
95761071	Emergency Preparednes Prog (50% WU)	65,121	6,977	3,489	1,087,293	1,162,880	Population
95771011	InterAgency Urban Runoff Program	54,441	28,517	518	435,011	518,487	Raw Water Deliveries
95771031	HAZMAT Emergency Response	5,302	589	252	78,015	84,158	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt Alloc-50% WU	50,955	112,101	91,719	764,322	1,019,096	Stream Gauge Location
95811046	Warehouse Svcs 50% WU	129,777	37,508	3,001	579,871	750,157	Water Usage Ratio
95811049	X Valley Subsidence Survey	13,945	5,071	3,381	400,178	422,575	Program Benefit Calculation

Water Utility Cost Allocation (Continued)

		South County Share by Zone			North County Share		
Project #	Project Name	Modified Zone W-5	New Zone W-7	New Zone W-8	Zone W-2	Adopted 2020-2021	Basis of Allocation
95811054	District Real Property Admin	72,953	21,085	1,687	325,971	421,696	Program Benefit Calculation
Operations Total		**$ 14,427,605**	**$ 6,874,450**	**$ 302,929**	**$178,785,404**	**$200,390,388**	
Operating Project							
95762011	Tree Maintenance Program	$ 48,852	$ 14,119	$ 1,130	$ 218,282	$ 282,383	Water Usage Ratio
Operating Project Total		**$ 48,852**	**$ 14,119**	**$ 1,130**	**$ 218,282**	**$ 282,383**	
Operations and Operating Total		**$ 14,476,458**	**$ 6,888,569**	**$ 304,058**	**$179,003,686**	**$200,672,771**	

South County Capital Amortization - Modified Zone W-5

(In Thousands $)						
Project Name	Total Project Cost	South County %	Zone W-5 South County Cost	FY 2021 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Uvas Dam and Reservoir	$ 1,124	97.7%	$ 1,099	$ 86	FY 22	Benefits Only South County
San Pedro Recharge Facility	1,882	100.0%	1,882	147	FY 22	Benefits Only South County
San Pedro Recharge House	700	100.0%	700	47	FY 31	Benefits Only South County
Recycled Water Improvements I	7,232	100.0%	7,232	481	FY 31	Benefits Only South County
Recycled Water Improvements II	118	100.0%	118	8	FY 33	Benefits Only South County
Recycled Water Improvements III	1,721	100.0%	1,721	115	FY 33	Benefits Only South County
Water Banking Rights	6,226	3.6%	225	15	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	16.0%	999	66	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	26.7%	63	4	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	16.7%	41	3	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term	3,257	100.0%	3,257	216	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits Only South County
South County Recycled Water Fund	8,678	100.0%	8,678	450	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	4.1%	769	51	FY 36	Total Imported Water Ratio
San Felipe Division Capital	10,777	5.4%	580	580	N/A	Repayment Cost Distribution
Pacheco Pumping Plant Regulating Tank Recoating	2,550	7.7%	196	13	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	7.7%	18	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	803	8.0%	64	64	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	6.8%	308	20	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	7.6%	17	1	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	859	8.0%	69	69	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	206	8.0%	17	17	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	1.1%	24	2	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	2.7%	66	4	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvement	576	8.9%	51	3	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	8.4%	1,557	103	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	8.5%	—	—	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	7.7%	139	9	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	2.8%	260	17	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	82	10.5%	9	9	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	87.9%	10,001	519	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	9.4%	194	12	FY 46	Water Usage Ratio
Water Protection	11,387	1.8%	200	13	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	7.0%	320	27	FY 44	Water Usage Ratio
Capital Warranty Services	196	17.3%	34	34	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	3.5%	775	49	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrade	335	1.8%	6	—	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	9.7%	47	2	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	—	FY 40	Water Usage Ratio

South County Capital Amortization - Modified Zone W-5 (Continued)

(In Thousands $)						
Project Name	Total Project Cost	South County %	Zone W-5 South County Cost	FY 2021 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Information Systems Management	5,802	7.5%	433	29	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	7.5%	6	—	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	9.4%	114	7	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	97.7%	1,223	77	FY 46	Benefits Only South County
IT Capital Fund Transfers	6,215	17.3%	1,075	1,075	N/A	Water Usage Ratio
Capital Program Administration	3,501	9.9%	345	345	N/A	Total Capital Cost Ratio
Grand Total	**$ 186,332**		**$ 49,248**	**$ 5,076**		

(*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization - New Zone W-7

(In Thousands $)						
Project Name	Total Project Cost	South County %	Zone W-7 South County Cost	FY 2021 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Uvas Dam and Reservoir	$ 1,124	—	$ —	$ —	FY 22	Benefits Only South County
San Pedro Recharge Facility	1,882	—	—	—	FY 22	Benefits Only South County
San Pedro Recharge House	700	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements I	7,232	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements II	118	—	—	—	FY 33	Benefits Only South County
Recycled Water Improvements III	1,721	—	—	—	FY 33	Benefits Only South County
Water Banking Rights	6,226	4.4%	273	18	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	4.6%	289	19	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	14.0%	33	2	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	4.8%	12	1	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term	3,257	—	—	—	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	—	—	—	FY 42	Benefits Only South County
South County Recycled Water Fund	8,678	—	—	—	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	4.9%	932	62	FY 36	Total Imported Water Ratio
San Felipe Division Capital	10,777	6.5%	699	699	N/A	Repayment Cost Distribution
Pacheco Pumping Plant Regulating Tank Recoating	2,550	9.3%	238	16	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	9.3%	22	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	803	9.7%	78	78	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	8.3%	373	25	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	9.3%	20	1	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	859	9.7%	83	83	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	206	9.7%	20	20	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	0.3%	7	—	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.8%	19	1	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvement	576	10.7%	62	4	FY 42	Anderson Deliveries Ratio

South County Capital Amortization - New Zone W-7 (Continued)

(In Thousands $)						
Project Name	Total Project Cost	South County %	Zone W-7 South County Cost	FY 2021 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Pacheco Pumping Plant ASD Replacement	18,518	10.2%	1,888	125	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	2.4%	—	—	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	9.3%	169	11	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	1.5%	136	9	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	82	5.5%	4	4	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	12.1%	1,377	71	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	2.7%	56	4	FY 46	Water Usage Ratio
Water Protection	11,387	0.5%	58	4	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	2.0%	93	8	FY 44	Water Usage Ratio
Capital Warranty Services	196	5.0%	10	10	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	1.0%	221	14	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrade	335	0.5%	2	—	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	2.8%	13	1	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	—	FY 40	Water Usage Ratio
Information Systems Management	5,802	2.2%	125	8	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	2.2%	2	—	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	2.7%	33	2	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	—	—	—	FY 46	Benefits Only South County
IT Capital Fund Transfers	6,215	5.0%	311	311	N/A	Water Usage Ratio
Capital Program Administration	3,501	3.4%	118	118	N/A	Total Capital Cost Ratio
Grand Total	**$ 186,332**		**$ 7,778**	**$ 1,730**		

(*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization - New Zone W-8

(In Thousands $)						
Project Name	Total Project Cost	South County %	Zone W-8 South County Cost	FY 2021 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Uvas Dam and Reservoir	$ 1,124	2.3%	$ 25	$ 2	FY 22	Benefits Only South County
San Pedro Recharge Facility	1,882	—	—	—	FY 22	Benefits Only South County
San Pedro Recharge House	700	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements I	7,232	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements II	118	—	—	—	FY 33	Benefits Only South County
Recycled Water Improvements III	1,721	—	—	—	FY 33	Benefits Only South County
Water Banking Rights	6,226	—	—	—	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	0.4%	23	2	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	0.3%	1	—	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	0.4%	1	—	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term	3,257	—	—	—	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	—	—	—	FY 42	Benefits Only South County
South County Recycled Water Fund	8,678	—	—	—	FY 50	Benefits Only South County

South County Capital Amortization - New Zone W-8 (Continued)

(In Thousands $)						
Project Name	Total Project Cost	South County %	Zone W-8 South County Cost	FY 2021 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Water Banking FY 2006	18,895	—	—	—	FY 36	Total Imported Water Ratio
San Felipe Division Capital	10,777	—	—	—	N/A	Repayment Cost Distribution
Pacheco Pumping Plant Regulating Tank Recoating	2,550	—	—	—	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	—	—	—	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	803	—	—	—	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	—	—	—	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	—	—	—	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	859	—	—	—	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	206	—	—	—	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	—	1	—	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.1%	2	—	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvement	576	—	—	—	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	—	—	—	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	0.2%	—	—	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	—	—	—	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	—	2	—	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	82	0.1%	—	—	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	—	—	—	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	0.2%	4	—	FY 46	Water Usage Ratio
Water Protection	11,387	—	5	—	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	0.2%	7	—	FY 44	Water Usage Ratio
Capital Warranty Services	196	0.4%	1	1	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	0.1%	18	1	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrade	335	—	—	—	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	0.2%	1	—	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	—	FY 40	Water Usage Ratio
Information Systems Management	5,802	0.2%	10	1	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	0.2%	—	—	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	0.2%	3	—	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	2.3%	28	2	FY 46	Benefits Only South County
IT Capital Fund Transfers	6,215	0.4%	25	25	N/A	Water Usage Ratio
Capital Program Administration	3,501	0.1%	3	3	N/A	Total Capital Cost Ratio
Grand Total	**$ 186,332**		**$ 162**	**$ 37**		

(*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization - Summary

	South County Amortized Costs (In Thousands $)	FY 2021 Cost Recovery Amount
Zone W-5	$ 49,248	$ 5,076
Zone W-7	7,778	1,730
Zone W-8	162	37
Grand Total	**$ 57,188**	**$ 6,843**

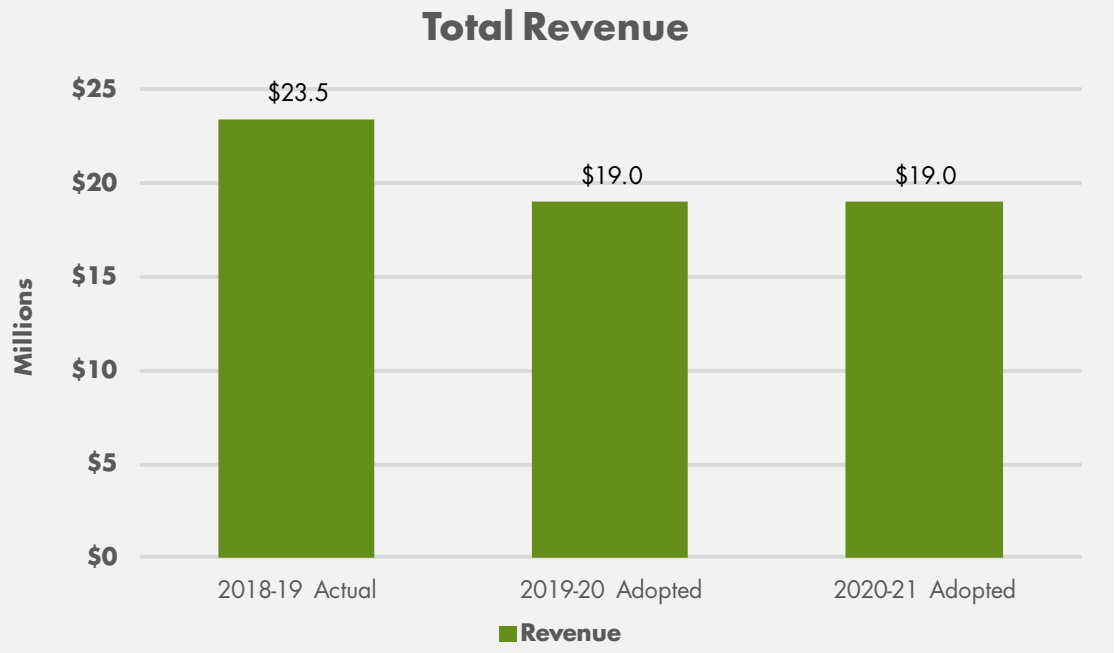
(*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

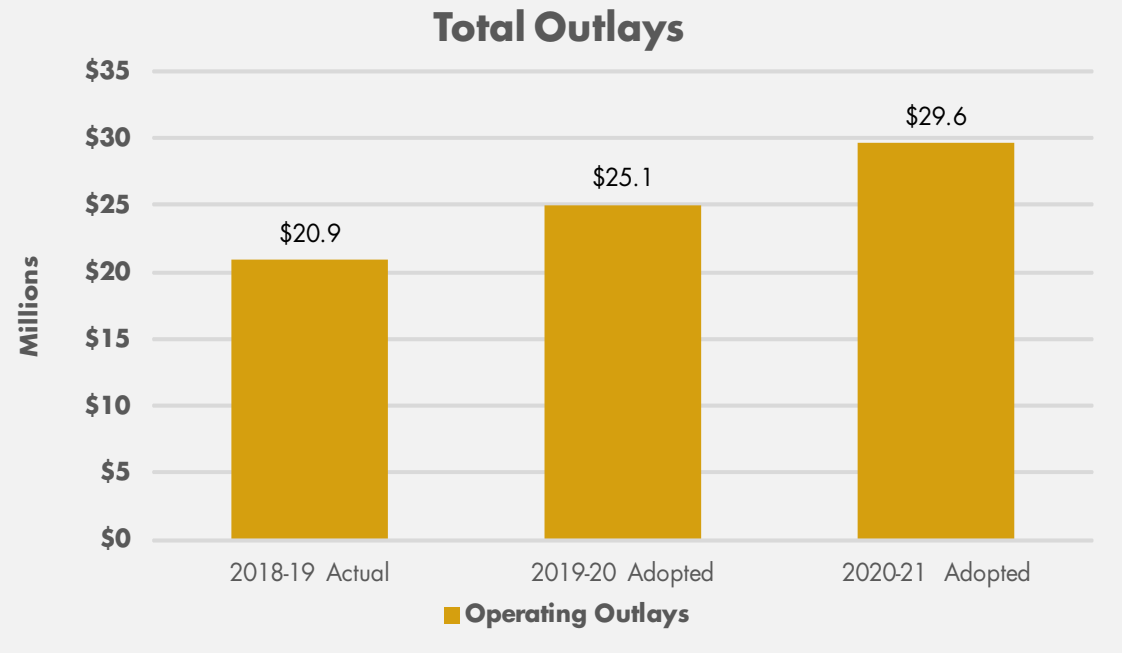
State Water Project Fund

The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with Water Code Section 11654. The State Water Project Fund accounts specifically for State Water Project Tax revenue and State Water Project contractual costs. State Water Project Tax revenue can only be spent on State Water Project contractual costs.

Staff proposes that the State Water Project Tax revenue be set at $18.0 million for FY 2020-21, which when combined with other revenue (interest earnings and interfund transfers in), and the State Water Project Reserve would fund projected contractual obligations of $29.6 million.

State Water Project Fund (Fund 63)





State Water Project Fund (Fund 63)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
REVENUE						
Property Tax	$ 22,344,318	$ 18,000,000	$ 18,000,000	$ 18,000,000	$ —	—
Nonoperating Other	1,124,943	1,000,000	1,000,000	1,000,000	—	—
TOTAL REVENUE	**$ 23,469,261**	**$ 19,000,000**	**$ 19,000,000**	**$ 19,000,000**	**$ —**	**—**
OUTLAYS						
Operating Outlays						
Operations **	$ 20,892,173	$ 25,067,582	$ 25,067,582	$ 29,636,261	$ 4,568,679	18.2%
Total Operating Outlays	**$ 20,892,173**	**$ 25,067,582**	**$ 25,067,582**	**$ 29,636,261**	**$ 4,568,679**	**18.2%**
TOTAL OUTLAYS****	**$ 20,892,173**	**$ 25,067,582**	**$ 25,067,582**	**$ 29,636,261**	**$ 4,568,679**	**18.2%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ —	$ —	$ —	$ 1,348,774	$ 1,348,774	—
TOTAL OTHER SOURCES/(USES)	**$ —**	**$ —**	**$ —**	**$ 1,348,774**	**$ 1,348,774**	**—**
BALANCE AVAILABLE	**$ 2,577,088**	**$ (6,067,582)**	**$ (6,067,582)**	**$ (9,287,487)**	**$ (3,219,905)**	**53.1%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 15,355,069	$ 4,815,690	$ 9,287,487	$ —	$ (4,815,690)	(100.0)%
Total Restricted Reserves	**$ 15,355,069**	**$ 4,815,690**	**$ 9,287,487**	**$ —**	**$ (4,815,690)**	**(100.0)%**
TOTAL YEAR-END RESERVES	**$ 15,355,069**	**$ 4,815,690**	**$ 9,287,487**	**$ —**	**$ (4,815,690)**	**(100.0)%**
Outlay Summary by Account Type						
Services & Supplies	$ 20,892,173	$ 25,067,582	$ 25,067,582	$ 29,636,261	$ 4,568,679	18.2%
OPERATING OUTLAY						
Services & Supplies	$ 20,892,173	$ 25,067,582	$ 25,067,582	$ 29,636,261	$ 4,568,679	18.2%
OPERATING OUTLAY TOTAL	**$ 20,892,173**	**$ 25,067,582**	**$ 25,067,582**	**$ 29,636,261**	**$ 4,568,679**	**18.2%**
TOTAL OUTLAYS****	**$ 20,892,173**	**$ 25,067,582**	**$ 25,067,582**	**$ 29,636,261**	**$ 4,568,679**	**18.2%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - State Water Project Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
Operations					
91131008	State Water Project Costs	20,892,173	25,067,582	29,636,261	Water Supply Division
Total Operations		**20,892,173**	**25,067,582**	**29,636,261**	
Total		**20,892,173**	**25,067,582**	**29,636,261**	

DISTRICT GENERAL FUND

District General Fund

Overview

The General Fund is Valley Water's primary funding source for administrative and strategic support services. These services are provided to the Water Utility Enterprise and Watershed programs and projects. They are necessary for governance and delivery of vital water management and watershed stewardship services to the community. The main purposes of the resources budgeted to the General Fund are to provide:

- Executive leadership and oversight.
- Long and short-term financial planning.
- A capable and knowledgeable workforce.
- Sustainable assets, equipment and infrastructure.

More details about these administrative and strategic services are described in the Division Chapter, page 5-1 by the organization areas.

Office of the Chief Executive Officer

The Chief Executive Officer (CEO) provides strategic direction and oversight to lead Valley Water in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board: advises and informs the Board; and, provides interface between the Board and staff. The CEO provides executive leadership to Valley Water and support to the Board of Directors to ensure that Valley Water efficiently implements the Board's Ends Policies and complies with Executive Limitations. Among the operational areas reporting directly to the CEO are Labor Relations and the Financial Planning and Management Services Division.

Office of District Counsel

The Office of District Counsel represents Valley Water's interests in a variety of court and administrative matters and provides timely legal advice to the Board and management as Valley Water implements strategies to streamline operations and increase accountability. The District Counsel also oversees the Risk Management Administration.

Office of the Clerk of the Board

The Clerk of the Board (COB) directly supports the work of Valley Water's Board of Directors, including Board Governance Policy management, Board performance monitoring, lobbyist reporting and tracking, elections, regulatory, administrative, and liaison support services to the Board, its Committees, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, Valley Water staff, and the public.

The COB also facilitates the public's access to Board information, including Board meetings and related committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members' expenses in accordance with Valley Water Ordinance 02-01, Resolution 11-73, and Board Governance Policy GP-10, and maintains the integrity of the Board's legislative records, processes, and actions. The COB also oversees Records & Library Services.

Office of the Chief of External Affairs

The Chief of External Affairs (CEA) reports directly to the Chief Executive Officer and serves as a key member of the executive leadership team and represents the CEO and Valley Water in interactions with employees, the public, and other agencies and organizations. The CEA oversees the strategic planning and integration of

external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders. The Office of the CEA oversees the Civic Engagement, Government Relations, and Communications offices.

Office of the Chief Operating Officer of Information Technology & Administrative Services

The Office of the Chief Operating Officer (COO) of Information Technology & Administrative Services (IT & AS) provides executive leadership and direct oversight to administrative business areas including General Services, Office of Talent and Inclusion (Human Resources), and Information Technology. The Office of the COO-IT & AS is responsible for ensuring that administrative functions are operated efficiently and effectively, in accordance with the goals and policies established by the Board of Directors and the Chief Executive Officer. The COO-IT & AS also oversees Emergency & Security Services, administers Environmental, Health & Safety, and Diversity & Inclusion.

Major Capital Projects

The FY 2020-21 Capital Outlay budget in the General Fund is approximately $3.0 million to improve and maintain existing buildings, grounds, and services through several small capital improvement projects.

The General Fund Capital Outlay increased $0.8 million from FY 2019-20 due to the workplace study to reconfigure workspaces more efficiently.

Fiscal Status

Intra-district reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $56.4 million in FY 2020-21, a 4.4% increase from FY 2019-20. The Intra-district reimbursements rate for FY 2020-21 is 70%. The CEO, District Counsel, Clerk of the Board, and District Administration costs funded in the General Fund provide services to the Watershed and Water Utility Enterprise operations and capital programs. Generally, the intra-district reimbursements are paid 60% from Water Utility Enterprise and 40% from the General Fund.

Property tax revenue is projected at $9.2 million. The projection reflects an increase of $0.8 million which is an 8.9% increase from the FY 2019-20 Adopted Budget.

The increase in property tax revenues is based on updates received from Santa Clara County and the current fiscal year. Interest income is projected to be $200,000 which is an increase of $50,000 from FY 2019-20 Adopted Budget.

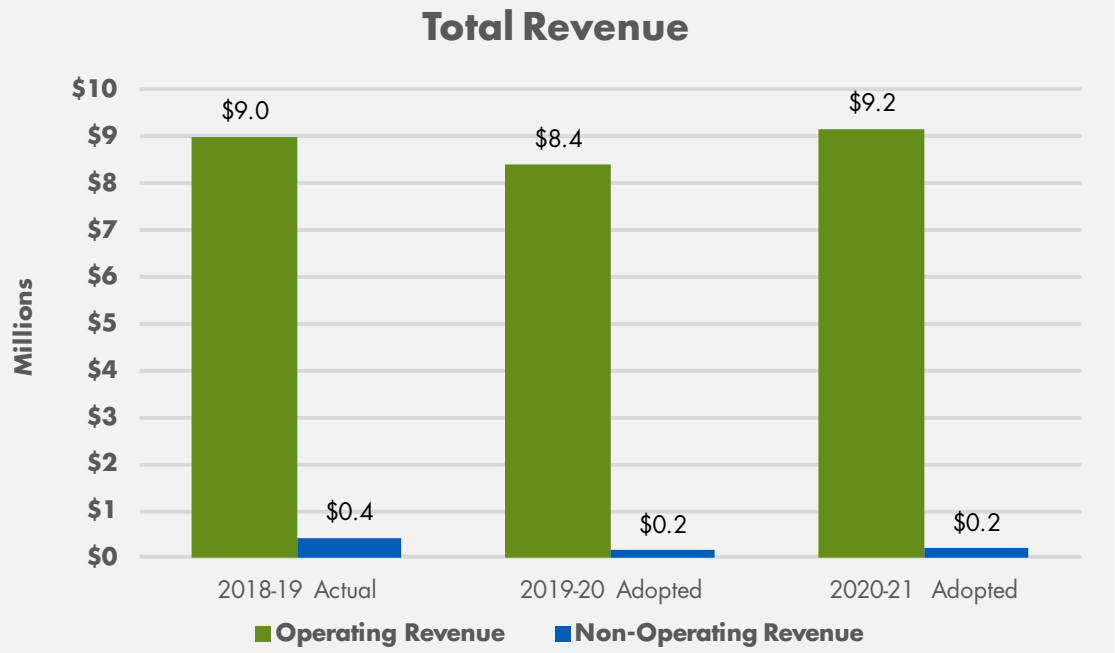
Operating Transfers In of $4.4 million are: from the Watershed and Stream Stewardship (WSS) Fund for Drought Induced Tree Removal ($1.3 million) and the Water Utility Enterprise Fund and the WSS fund for the Safe Clean Water renewal ballot measure ($3.1 million). Operating Transfers Out of $0.3 million are to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of preserving open space.

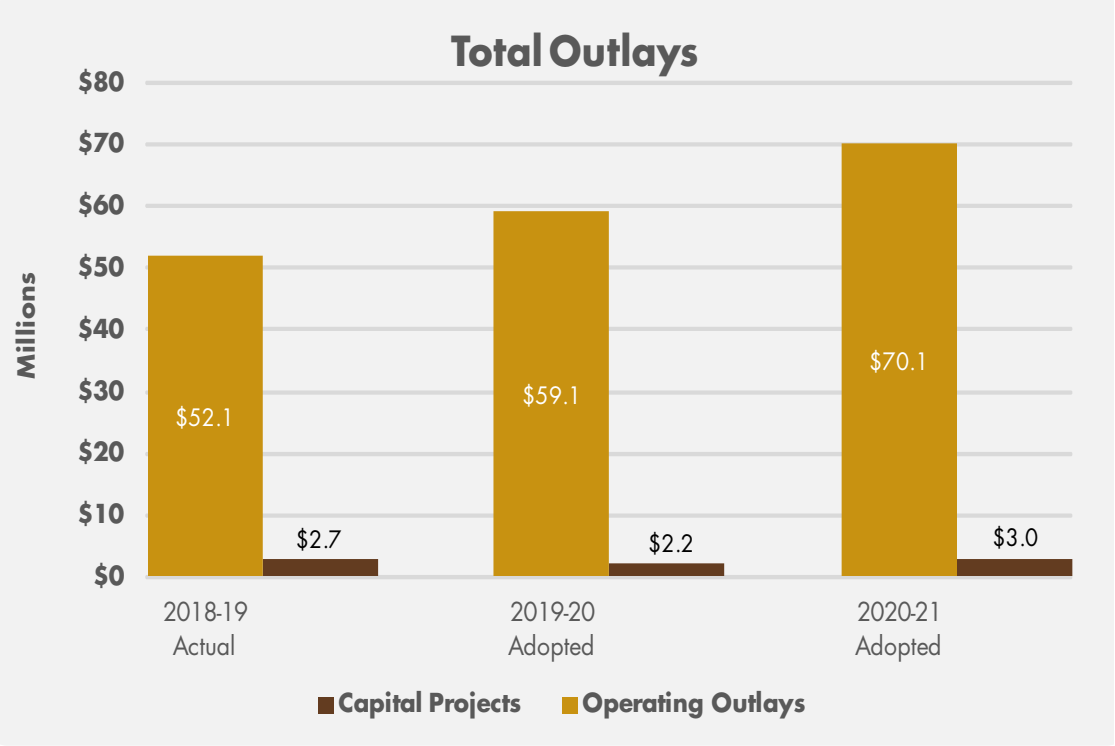
Operating costs for the services provided to Watersheds and Water Utility Enterprise operations total $70.1 million for FY 2020-21. This is an increase of $11.0 million or an 18.7% increase versus the FY 2019-20 Adopted Budget. This change is primarily comprised of: Increase in salary and related costs per MOU and additional positions approved by the Board during FY 2019-20 ($3.4 million), increase of intra-district charges to fund Equipment management, Risk Management and IT Technology funds' operation expenses ($1.3 million), general election costs include the Safe Clean Water Renewal Ballot Measure ($3.6

million), building and grounds needs ($0.9 million), security services ($0.7 million), support of the District wide Signage program ($0.3 million), and net increase in services and supplies for various projects and programs ($0.8 million).

General Fund reserves are estimated at approximately $5.7 million and are in compliance with the Valley Water Reserve Policy.

District General Fund





District General Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 8,993,866	$ 8,412,466	$ 9,016,844	$ 9,165,000	$ 752,534	8.9%
Intergovermental Services	6,984	—	—	—	—	—
Operating Other	(250)	—	—	—	—	—
Total Operating Revenue	**$ 9,000,600**	**$ 8,412,466**	**$ 9,016,844**	**$ 9,165,000**	**$ 752,534**	**8.9%**
Non-Operating Revenue						
Interest Income *	$ 287,894	$ 150,000	$ 200,000	$ 200,000	$ 50,000	33.3%
Non-Operating Other	145,059	—	—	—	—	—
Total Non-Operating Revenue	**$ 432,953**	**$ 150,000**	**$ 200,000**	**$ 200,000**	**$ 50,000**	**33.3%**
TOTAL REVENUE	**$ 9,433,553**	**$ 8,562,466**	**$ 9,216,844**	**$ 9,365,000**	**$ 802,534**	**9.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 51,495,303	$ 58,616,753	$ 58,981,753	$ 69,641,331	$ 11,024,578	18.8%
Operating Project	153,248	—	—	—	—	—
Debt Service	474,813	478,052	478,052	475,801	(2,251)	(0.5)%
Total Operating Outlays	**$ 52,123,364**	**$ 59,094,805**	**$ 59,459,805**	**$ 70,117,132**	**$ 11,022,327**	**18.7%**
Capital Outlays						
Capital Projects	$ 2,736,123	$ 2,212,021	$ 2,212,021	$ 3,015,593	$ 803,572	36.3%
Total Capital Outlays	**$ 2,736,123**	**$ 2,212,021**	**$ 2,212,021**	**$ 3,015,593**	**$ 803,572**	**36.3%**
TOTAL OUTLAYS****	**$ 54,859,487**	**$ 61,306,826**	**$ 61,671,826**	**$ 73,132,725**	**$ 11,825,899**	**19.3%**
Less Intra-District Reimb	(48,500,000)	(54,072,293)	(54,072,293)	(56,429,203)	(2,356,910)	4.4%
NET OUTLAYS	**$ 6,359,487**	**$ 7,234,533**	**$ 7,599,533**	**$ 16,703,522**	**$ 9,468,989**	**130.9%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 224,917	$ 932,500	$ 932,500	$ 4,402,725	$ 3,470,225	372.1%
Transfers Out	(614,000)	(709,300)	(709,300)	(296,500)	412,800	(58.2)%
TOTAL OTHER SOURCES/(USES)	**$ (389,083)**	**$ 223,200**	**$ 223,200**	**$ 4,106,225**	**$ 3,883,025**	**1,739.7%**
BALANCE AVAILABLE	**$ 2,684,983**	**$ 1,551,133**	**$ 1,840,511**	**$ (3,232,297)**	**$ (4,783,430)**	**(308.4)%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 7,124,591	$ 4,318,026	$ 8,965,102	$ 5,732,805	$ 1,414,779	32.8%
Total Committed Reserves	**$ 7,124,591**	**$ 4,318,026**	**$ 8,965,102**	**$ 5,732,805**	**$ 1,414,779**	**32.8%**
TOTAL YEAR-END RESERVES	**$ 7,124,591**	**$ 4,318,026**	**$ 8,965,102**	**$ 5,732,805**	**$ 1,414,779**	**32.8%**

District General Fund Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 33,155,613	$ 37,692,977	$ 37,692,977	$ 40,930,026	$ 3,237,049	8.6%
Salary Savings Factor	—	(1,310,193)	(1,310,193)	(1,069,148)	241,045	(18.4)%
Services & Supplies	13,719,209	16,721,409	17,086,409	22,966,408	6,244,999	37.3%
Intra-District Charges	4,773,729	5,512,562	5,512,562	6,814,046	1,301,484	23.6%
OPERATING OUTLAY TOTAL	**$ 51,648,551**	**$ 58,616,755**	**$ 58,981,755**	**$ 69,641,332**	**$ 11,024,577**	**18.8%**
DEBT SERVICE						
Services & Supplies	$ 338	$ 2,262	$ 2,262	$ 2,262	$ —	—
Debt Service	474,475	475,790	475,790	473,539	(2,251)	(0.5)%
DEBT SERVICE TOTAL	**$ 474,813**	**$ 478,052**	**$ 478,052**	**$ 475,801**	**$ (2,251)**	**(0.5)%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 274,200	$ 141,677	$ 141,677	$ 13,802	$ (127,875)	(90.3)%
Salary Savings Factor	—	(19,495)	(19,495)	(373)	19,122	(98.1)%
Services & Supplies	2,393,096	2,031,210	2,031,210	3,000,000	968,790	47.7%
Intra-District Charges	68,828	58,629	58,629	2,165	(56,464)	(96.3)%
CAPITAL PROJECTS TOTAL	**$ 2,736,124**	**$ 2,212,021**	**$ 2,212,021**	**$ 3,015,594**	**$ 803,573**	**36.3%**
TOTAL OUTLAYS****	**$ 54,859,488**	**$ 61,306,828**	**$ 61,671,828**	**$ 73,132,727**	**$ 11,825,899**	**19.3%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - District General Fund

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
Operations						
	60001090	CEOUnscoped Projects-BudgtOnly		100,000	100,000	Office of the CEO
	60001091	Unscoped Projects-Budget Only	1,200	100,000	100,000	Office of COO IT and Admin Services
	60001092	CEA UnscopedProject-BudgetOnly		100,000	100,000	Office of Chief of External Affairs
*	60021008	Energy Management	89,255	89,727	141,228	Treated Water Division
	60041003	Hollister Groundwater Mgmt	20,678	56,539	85,773	Water Supply Division
**	60061007	Drought Emergency Response	1,291			Water Supply Division
*	60061012	Facilities Env Compliance	214,999	189,973	200,335	Office of COO IT and Admin Services
	60061018	General Services Div Admin	664,709	543,081	566,158	Office of COO IT and Admin Services
	60061023	Districtwide Salary Savings-11		(1,310,193)	(1,069,148)	Financial Planning and Management Services Division
*	60061055	Asset Management Program	410,044	324,831	364,111	Treated Water Division
	60061058	Drought Induced Tree Removal	224,917	932,517	1,254,798	Watershed Operations & Maintenance Division
*	60071041	Welding Services	14,237	18,191	19,657	General Services Division
	60091001	Directors Fees / Expenses	459,177	512,622	528,622	Office of Clerk of the Board
	60101001	Purchasing Services	1,893,373	2,949,727	2,311,520	General Services Division
	60101002	Building and Grounds	6,808,563	7,465,892	9,100,691	General Services Division
	60101005	Districtwide Signage	973	300,000	614,073	General Services Division
**	60101006	Telecommunications Sys Opr/M	38,148			Information Technology Division
	60101008	District Security Services	1,735,509	2,041,242	2,744,084	Office of COO IT and Admin Services
**	60101011	Technical Infrastructure Servi	1,542			Information Technology Division
	60101017	CADD System Tech Support	137,733	132,545	94,555	Water Utility Capital Division
	60111002	General Accounting Services	3,308,065	3,653,802	4,011,293	Financial Planning and Management Services Division
	60111006	Contract Services	1,515,290	1,433,516	2,705,273	General Services Division
*	60121003	LT Financial Planning & Rate S	182,207	168,613	265,972	Financial Planning and Management Services Division
	60131004	IT & AS Administration	370,930	1,782,998	1,751,428	Office of COO IT and Admin Services
	60131007	Ofc of Chief Executive Officer	1,071,162	1,015,533	1,201,430	Office of the CEO
	60131014	Continual Improvement	407,229	824,722	931,051	Financial Planning and Management Services Division
	60141001	District Counsel	3,271,324	3,606,203	4,090,539	Office of District Counsel

*Recipient projects
**Closed, combined or no current year funding

Total Outlays - District General Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
**	60161001	Software Maint & License	29,324			Information Technology Division
**	60161004	Software Services	(918)			Information Technology Division
	60171002	Education & Volunteer Program	1,024,188	1,649,752	2,024,275	Office of Chief of External Affairs
	60171009	Community Relations	348,062	345,487	573,930	Office of Chief of External Affairs
**	60181002	Network Administration	931			Information Technology Division
	60221001	Budget and Financial Analyses	1,991,405	2,243,957	2,373,400	Financial Planning and Management Services Division
	60221002	Debt & Treasury Management	837,115	937,222	1,069,870	Financial Planning and Management Services Division
	60221003	FPMD Administration	484,002	550,540	455,681	Financial Planning and Management Services Division
	60231002	Communications	2,297,309	2,580,007	2,393,047	Office of Chief of External Affairs
	60231003	Federal Government Relations	928,938	1,092,212	985,160	Office of Chief of External Affairs
	60231004	State Government Relations	944,676	1,016,527	1,114,302	Office of Chief of External Affairs
	60231005	Local Government Relations	1,573,371	1,628,320	2,018,585	Office of Chief of External Affairs
	60231006	Office of Chief of Ext Affairs	974,348	927,651	1,385,810	Office of Chief of External Affairs
	60241026	Quality and Env Mgmt Sys Prog	760,252	534,165	524,308	Financial Planning and Management Services Division
**	60271064	Offce Cmptr Maint/Help Dsk Sup	141			Information Technology Division
	60281003	Ethics & EEO Programs	857,974	1,100,326	1,002,294	Human Resources Division
	60281004	Diversity & Inclusion Program	802,837	804,813	843,901	Office of COO IT and Admin Services
	60281006	Reasonable Accommodation	101,871	243,518	274,324	Human Resources Division
	60291001	Recruitment and Examination	1,727,797	1,826,393	1,842,284	Human Resources Division
	60291002	Benefits and Wellness Admin	1,172,209	1,458,679	1,687,458	Human Resources Division
	60291003	Labor Relations	781,314	856,488	968,175	
	60291004	Talent Development Program	1,443,592	1,615,591	1,539,256	Human Resources Division
**	60291005	Classification&CompensationPgm	372,347			Human Resources Division
	60291011	HR Program Admin	646,266	615,270	606,676	Office of COO IT and Admin Services
	60291030	HR Systems Management Program	234,223	584,477	550,794	Office of COO IT and Admin Services
	60291032	Bargaining Unit Representation	95,761	124,731	138,461	
**	60291038	GF Training & Development	702,363			Office of COO IT and Admin Services
	60291040	Rotation Program	19,044	600,000	600,000	Human Resources Division
	60291041	Internship Program	746,796	821,263	678,200	Human Resources Division
	60291043	Succession Planning		451,425	486,796	Human Resources Division

*Recipient projects
**Closed, combined or no current year funding

Total Outlays - District General Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
	60301001	Clerk of the Board Serv	2,254,525	2,256,123	6,115,605	Office of Clerk of the Board
	60311001	Records & Library Services	1,200,153	1,290,918	1,328,063	Office of Clerk of the Board
	60351001	Business & Customer SupportSvc	2,735,491	2,798,194	3,226,413	General Services Division
**	60601010	Emergency Activation	26,782			Office of COO IT and Admin Services
*	60811046	Warehouse Services	538,260	630,623	620,819	General Services Division
	Total Operations		**51,495,303**	**58,616,753**	**69,641,331**	
	Operating					
**	60042001	Pacheco Res Prop 1 App Study	153,248			Water Supply Division
	Total Operating		**153,248**			
	Debt Service					
	60993009	2017A COP Refunding GF	474,813	478,052	475,801	Financial Planning and Management Services Division
	Total Debt Service		**474,813**	**478,052**	**475,801**	
	Capital					
	60064023	Districtwide Salary Savings		(19,495)	(373)	Financial Planning and Management Services Division
*	60074033	CIP Development & Admin	9,891	25,562		Office of COO Watersheds
*	60074036	Survey Mgmt & Tech Support	7,744	10,430		Office of COO Watersheds
*	60074038	Capital Progrm Srvcs Admin	78,669	132,398		Water Utility Capital Division
	60204016	Facility Mgmt-Sm Cap Improv	2,534,854	2,063,125	3,015,966	General Services Division
**	60954001	Pacheco Reservoir ExpansnStudy	104,965			Dam Safety and Capital Delivery Division
	Total Capital		**2,736,123**	**2,212,021**	**3,015,593**	
	Total		**54,859,487**	**61,306,826**	**73,132,725**	

*Recipient projects
**Closed, combined or no current year funding

SERVICE FUNDS

Service Funds Overview

Valley Water manages three Internal Service Funds - the Fleet Management Fund, the Risk Management Fund and the Information Technology Fund. These funds provide goods and services to Valley Water Administration, Watersheds and Water Utility Enterprise divisions and recover costs through intra-district reimbursements. Intra-district reimbursements are the amounts needed for operations and to maintain adequate reserves in accordance with Valley Water Reserve Policy. Further information on each fund is provided below and in the pages that follow.

Fleet Management Fund

The Fleet Management Fund was established to capture the operations, maintenance and replacement costs of District-owned vehicles and equipment such as: sedans, vans, pickup trucks and field equipment (Class I); heavy duty trucks and trailers (Class II); heavy construction equipment (Class III); and, portable equipment including large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV). Reimbursement charges for FY 2020-21 total $7.6 million. The reimbursement rate is 7.0% for FY 2020-21.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Surplus and replacement of 16 vehicles and 2 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- Evaluate and implement industry best practices within operation.
- Conduct a vehicle utilization study in collaboration with user department to reduce underutilized assets.

Risk Management Fund

This fund was established to provide for liability, property, Workers' Compensation insurance, and self-insurance costs. Included in this fund are various health and safety programs designed to ensure the safety and well-being of employees, a reserve for catastrophic uninsured property loss, and self-insurance reserves for both known and unreported Workers Compensation and liability claims set at levels prescribed by actuarial studies. Currently, loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of Valley Water business. Valley Water supports the philosophy that all accidents and injuries are preventable through the establishment of and compliance with safe work procedures and best management practices for our industry. Reimbursement charges for FY 2020-21 total $6.6 million with a reimbursement rate of 6.5%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continue to administer the Workers Compensation program in a manner that increases employee awareness of potential dangers and seeks to reduce employee injuries and accidents.
- Continue to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continue to manage safety, ergonomics, and industrial hygiene programs in compliance with regulatory requirements and industry best practices.

Information Technology Fund

The Information Technology Fund was established to capture the operation, maintenance, and replacement costs of supporting the technology and information security needs of Valley Water. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-District charges for this fund are set to recover the current operating costs. For FY 2020-21, $20.5 million will be recovered through Intra-District charges, the reimbursement rate is 21.0%.

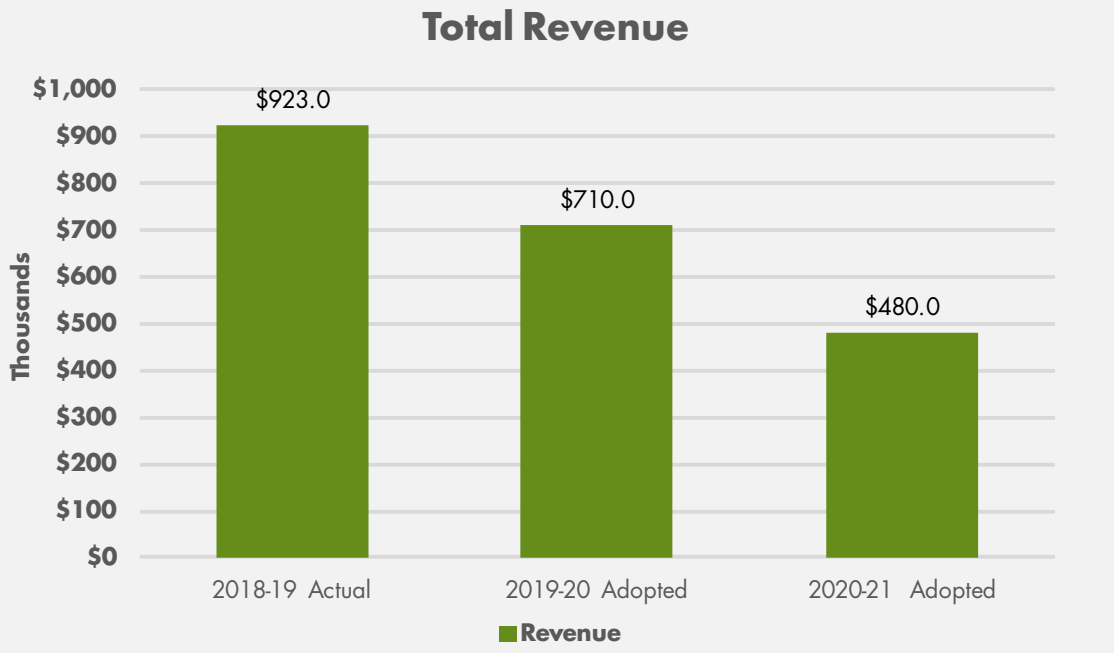
Major planned capital projects will be funded by operating transfers from the Watershed Stream Stewardship Fund and Water Utility Enterprise Fund. For FY 2020-21 total transfer amount is $7.5 million.

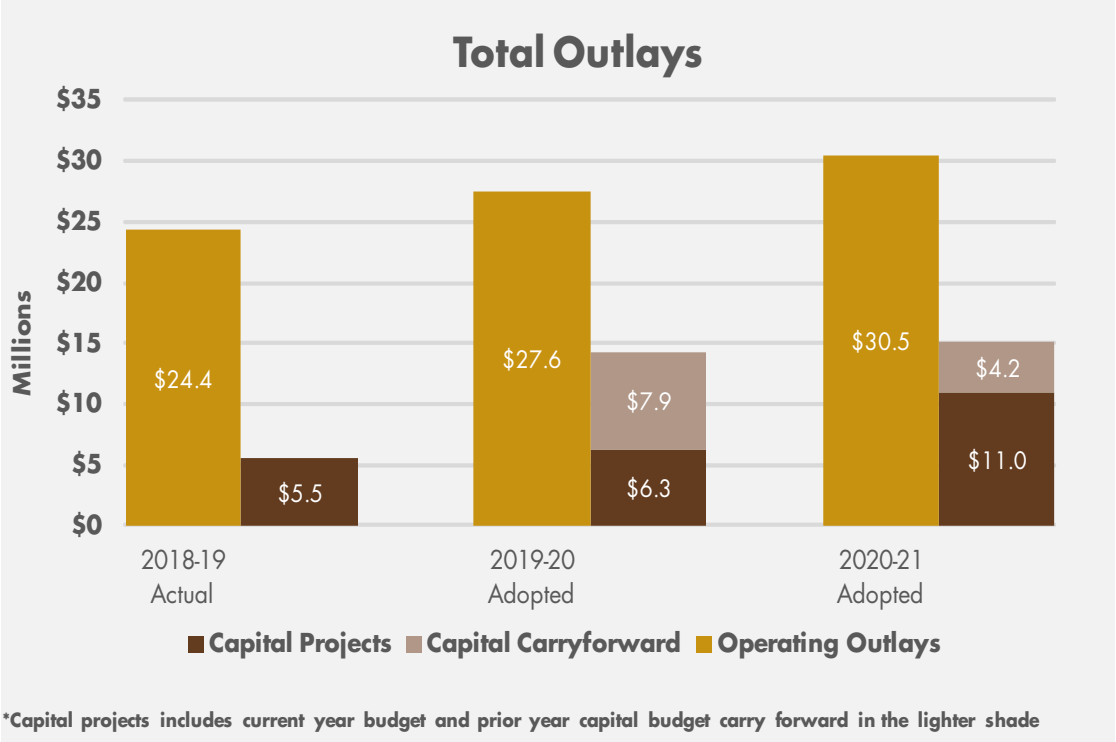
Key Highlights

The following are key highlights for the upcoming fiscal year:

- Implement IT Strategic Plan: (1) Complete the creation of IT Governance structure; (2) Implement Business-IT Liaison program; (3) Develop a communication strategy, plan, and execution; (4) Provide management oversight and support
- Continue providing support for the new ERP for Finance, Human Resources, Purchasing and Contract Services
- Evaluate desktop and web application needs
- Finalize and implement GIS long-term strategy
- Implement Mobile Maximo for asset management
- Implement Disaster Recovery Plan and Technologies
- Complete Proof of Concept (POC) of Water Utility Server Virtualization
- Complete conversion to Voice Over IP Telephones
- Complete conversion of majority of Valley Water staff to mobile devices

Service Funds Combined





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Service Funds Combined Summary

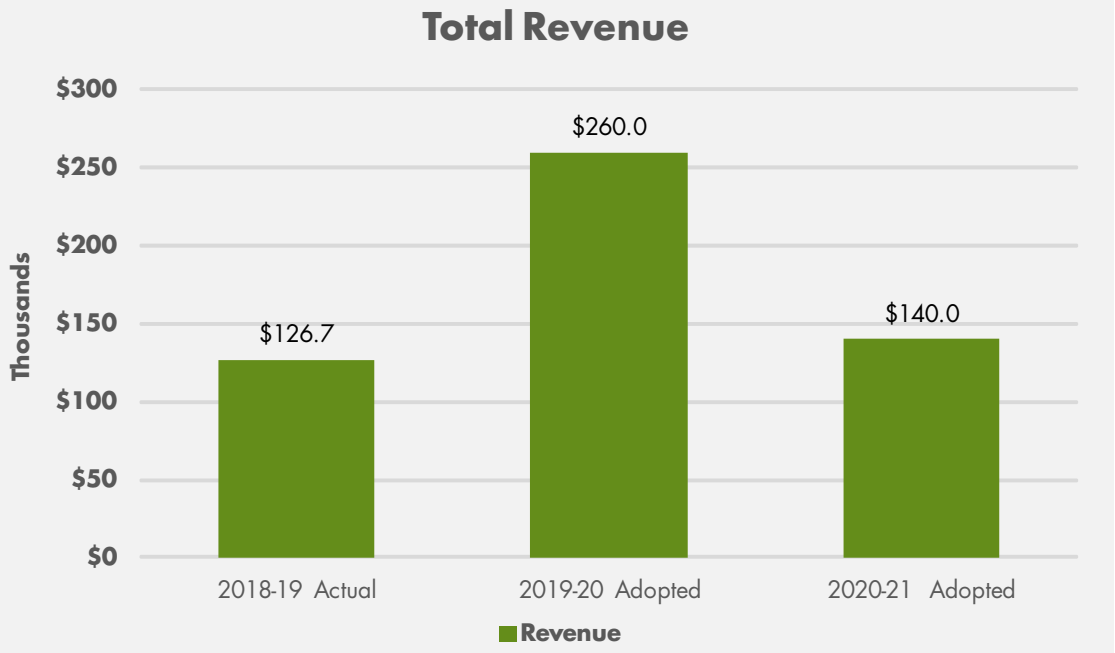
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
REVENUE						
Interest Income *	$ 750,187	$ 510,000	$ 600,000	$ 400,000	$ (110,000)	(21.6)%
Non-Operating Other	172,792	200,000	200,000	80,000	(120,000)	(60.0)%
TOTAL REVENUE	**$ 922,979**	**$ 710,000**	**$ 800,000**	**$ 480,000**	**$ (230,000)**	**(32.4)%**
OUTLAYS						
Operating Outlays						
Operations **	$ 24,148,842	$ 27,472,600	$ 27,472,600	$ 29,839,732	$ 2,367,132	8.6%
Operating Project	205,096	100,000	1,150,000	646,000	546,000	546.0%
Total Operating Outlays	**$ 24,353,938**	**$ 27,572,600**	**$ 28,622,600**	**$ 30,485,732**	**$ 2,913,132**	**10.6%**
Capital Outlays						
Capital Projects	$ 5,515,245	$ 6,327,257	$ 15,964,000	$ 10,958,088	$ 4,630,831	73.2%
Carry Forward Capital Projects	—	7,916,000	—	4,163,731	(3,752,269)	(47.4)%
Total Capital Outlays	**$ 5,515,245**	**$ 14,243,257**	**$ 15,964,000**	**$ 15,121,819**	**$ 878,562**	**6.2%**
TOTAL OUTLAYS****	**$ 29,869,183**	**$ 41,815,857**	**$ 44,586,600**	**$ 45,607,551**	**$ 3,791,694**	**9.1%**
Less Intra-District Reimb	(23,542,287)	(26,774,670)	(26,774,670)	(34,702,382)	(7,927,712)	29.6%
NET OUTLAYS	**$ 6,326,896**	**$ 15,041,187**	**$ 17,811,930**	**$ 10,905,169**	**$ (4,136,018)**	**(27.5)%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,513,610	$ 4,130,000	$ 4,130,000	$ 7,480,000	$ 3,350,000	81.1%
Transfers Out	—	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	**$ 6,513,610**	**$ 4,130,000**	**$ 4,130,000**	**$ 7,480,000**	**$ 3,350,000**	**81.1%**
BALANCE AVAILABLE	**$ 1,109,693**	**$ (10,201,187)**	**$ (12,881,930)**	**$ (2,945,169)**	**$ 7,256,018**	**(71.1)%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 13,969,749	$ 2,304,000	$ 4,333,006	$ 169,275	$ (2,134,725)	(92.7)%
Operating and Capital Reserve	4,562,360	2,048,125	2,285,564	3,583,615	1,535,490	75.0%
Catastrophy - Property Self-Insurance	7,244,312	6,113,912	6,275,922	6,196,433	82,521	1.4%
Workers Compensation Liability	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
Total Committed Reserves	**$ 32,862,021**	**$ 17,500,037**	**$ 19,980,092**	**$ 17,034,923**	**$ (465,114)**	**(2.7)%**
TOTAL YEAR-END RESERVES	**$ 32,862,021**	**$ 17,500,037**	**$ 19,980,092**	**$ 17,034,923**	**$ (465,114)**	**(2.7)%**

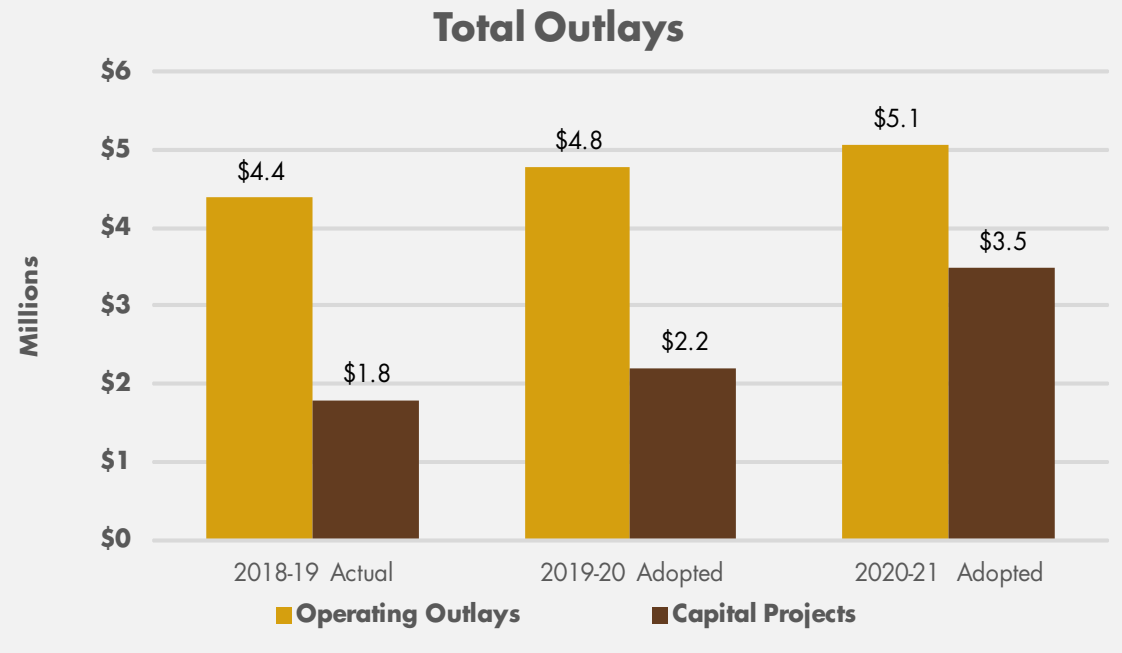
Service Funds Combined Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 9,757,639	$ 10,395,222	$ 10,395,222	$ 11,131,816	$ 736,594	7.1%
Salary Savings Factor	—	—	—	(287,962)	(287,962)	—
Services & Supplies	9,467,121	12,407,172	13,457,172	14,600,634	2,193,462	17.7%
Intra-District Charges	5,129,178	4,770,205	4,770,205	5,041,244	271,039	5.7%
OPERATING OUTLAY TOTAL	**$ 24,353,938**	**$ 27,572,599**	**$ 28,622,599**	**$ 30,485,732**	**$ 2,913,133**	**10.6%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 240,814	$ 1,212,103	$ 1,212,103	$ 1,874,530	$ 662,427	54.7%
Salary Savings Factor	—	—	—	(49,631)	(49,631)	—
Services & Supplies	5,185,182	4,868,991	14,505,734	8,186,317	3,317,326	68.1%
Carry Forward Capital Projects	—	7,916,000	—	4,163,731	(3,752,269)	(47.4)%
Intra-District Charges	89,249	246,163	246,163	946,872	700,709	284.7%
CAPITAL PROJECTS TOTAL	**$ 5,515,245**	**$ 14,243,257**	**$ 15,964,000**	**$ 15,121,819**	**$ 878,562**	**6.2%**
TOTAL OUTLAYS****	**$ 29,869,183**	**$ 41,815,856**	**$ 44,586,599**	**$ 45,607,551**	**$ 3,791,695**	**9.1%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Fleet Management Fund





Fleet Management Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted $ Diff	Change from 2019-20 Adopted % Diff
REVENUE						
Interest Income *	$ 77,083	$ 60,000	$ 80,000	$ 60,000	$ —	—
Nonoperating Other	49,621	200,000	200,000	80,000	(120,000)	(60.0)%
TOTAL REVENUE	**$ 126,704**	**$ 260,000**	**$ 280,000**	**$ 140,000**	**$ (120,000)**	**(46.2)%**
OUTLAYS						
Operating Outlays						
Operations **	$ 4,378,638	$ 4,772,872	$ 4,772,872	$ 5,058,251	$ 285,379	6.0%
Total Operating Outlays	**$ 4,378,638**	**$ 4,772,872**	**$ 4,772,872**	**$ 5,058,251**	**$ 285,379**	**6.0%**
Capital Outlays						
Capital Projects	$ 1,779,973	$ 2,197,000	$ 2,197,000	$ 3,478,000	$ 1,281,000	58.3%
Total Capital Outlays	**$ 1,779,973**	**$ 2,197,000**	**$ 2,197,000**	**$ 3,478,000**	**$ 1,281,000**	**58.3%**
TOTAL OUTLAYS****	**$ 6,158,611**	**$ 6,969,872**	**$ 6,969,872**	**$ 8,536,251**	**$ 1,566,379**	**22.5%**
Less Intra-District Reimb	(5,246,856)	(5,714,616)	(5,714,616)	(7,638,086)	(1,923,470)	33.7%
NET OUTLAYS	**$ 911,755**	**$ 1,255,256**	**$ 1,255,256**	**$ 898,165**	**$ (357,091)**	**(28.4)%**
BALANCE AVAILABLE	**$ (785,051)**	**$ (995,256)**	**$ (975,256)**	**$ (758,165)**	**$ 237,091**	**(23.8)%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 3,226,886	$ 1,105,855	$ 2,251,630	$ 1,493,465	$ 387,610	35.1%
Total Committed Reserves	**$ 3,226,886**	**$ 1,105,855**	**$ 2,251,630**	**$ 1,493,465**	**$ 387,610**	**35.1%**
TOTAL YEAR-END RESERVES	**$ 3,226,886**	**$ 1,105,855**	**$ 2,251,630**	**$ 1,493,465**	**$ 387,610**	**35.1%**

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 1,782,680	$ 1,649,981	$ 1,649,981	$ 1,740,084	$ 90,103	5.5%
Salary Savings Factor	—	—	—	(43,292)	(43,292)	—
Services & Supplies	1,546,711	2,301,163	2,301,163	2,481,440	180,277	7.8%
Intra-District Charges	1,049,246	821,727	821,727	880,019	58,292	7.1%
OPERATING OUTLAY TOTAL	**$ 4,378,637**	**$ 4,772,871**	**$ 4,772,871**	**$ 5,058,251**	**$ 285,380**	**6.0%**
CAPITAL PROJECTS						
Services & Supplies	$ 1,779,973	$ 2,197,000	$ 2,197,000	$ 3,478,000	$ 1,281,000	58.3%
CAPITAL PROJECTS TOTAL	**$ 1,779,973**	**$ 2,197,000**	**$ 2,197,000**	**$ 3,478,000**	**$ 1,281,000**	**58.3%**
TOTAL OUTLAYS****	**$ 6,158,610**	**$ 6,969,871**	**$ 6,969,871**	**$ 8,536,251**	**$ 1,566,380**	**22.5%**

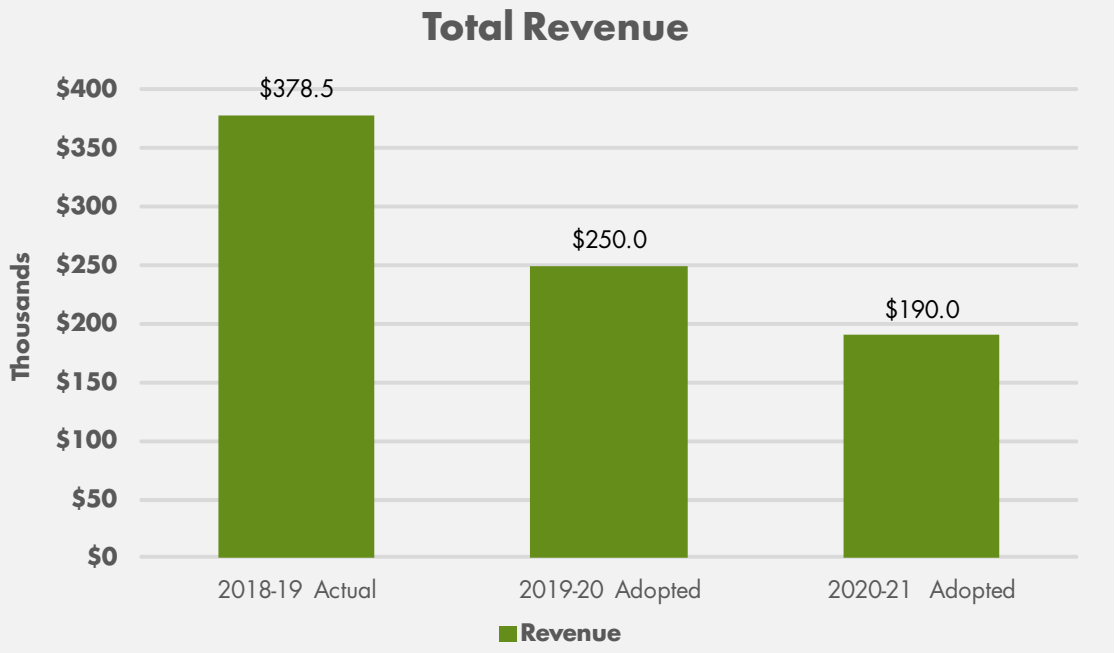
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

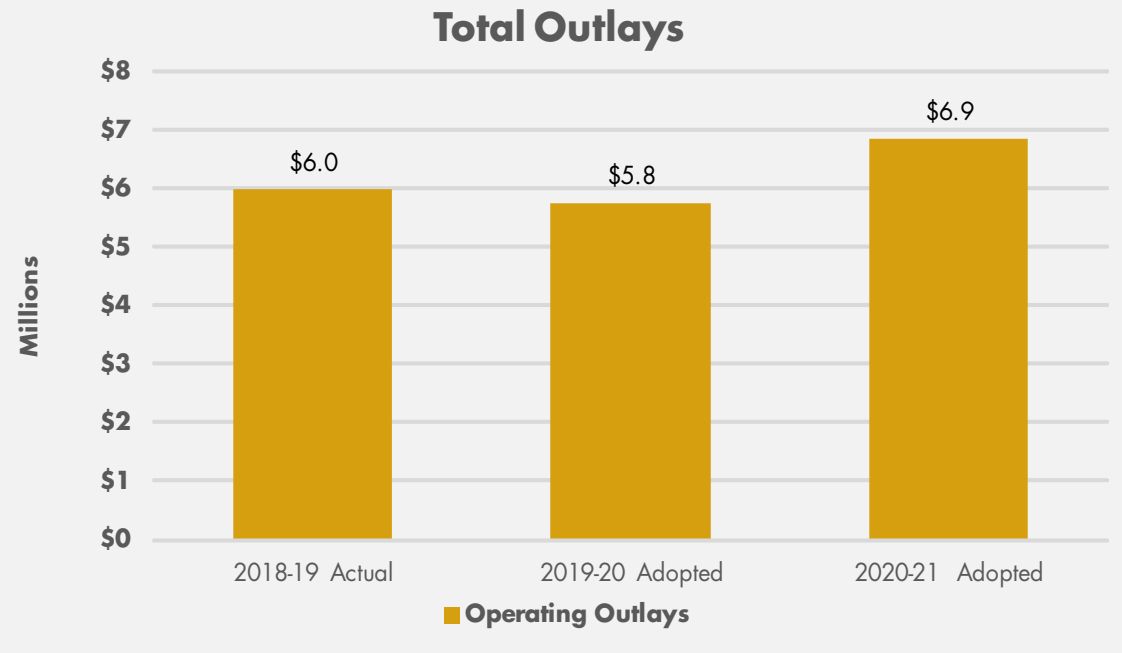
Total Outlays - Fleet Management Fund

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
	Operations					
	70011099	Class I Equip Oper / Maint	808,660	822,399	825,647	General Services Division
	70021099	Class II Equip Oper / Maint	878,133	992,551	950,825	General Services Division
	70031099	Class III Equip Oper / Maint	192,025	316,369	342,468	General Services Division
	70041099	Class IV Equip Oper / Maint	781,957	1,300,775	1,494,678	General Services Division
	70061003	Vehicle & Equipment Admin&Mgmt	1,450,191	1,100,433	1,246,897	General Services Division
	70061004	Districtwide Salary Savings-71			(43,292)	Financial Planning and Management Services Division
*	70061045	Asset Management Program	205,022	162,416	182,056	Treated Water Division
*	70071041	Welding Services	42,712	54,573	58,972	General Services Division
*	70811046	Warehouse Services	19,936	23,356		General Services Division
	Total Operations		**4,378,638**	**4,772,872**	**5,058,251**	
	Capital					
	70004001	New Vehicle Equip Acquisitio		474,000	1,545,000	General Services Division
	70004002	Replacement Vehicle & Equip	1,779,973	1,723,000	1,933,000	General Services Division
	Total Capital		**1,779,973**	**2,197,000**	**3,478,000**	
	Total		**6,158,611**	**6,969,872**	**8,536,251**	

*Recipient projects

Risk Management Fund





Risk Management Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
REVENUE						
Interest Income *	$ 330,597	$ 250,000	$ 220,000	$ 190,000	$ (60,000)	(24.0)%
Nonoperating Other	47,860	—	—	—	—	—
TOTAL REVENUE	**$ 378,457**	**$ 250,000**	**$ 220,000**	**$ 190,000**	**$ (60,000)**	**(24.0)%**
OUTLAYS						
Operating Outlays						
Operations **	$ 5,790,433	$ 5,660,063	$ 5,660,063	$ 6,208,862	$ 548,799	9.7%
Operating Project	205,096	100,000	1,150,000	646,000	546,000	546.0%
Total Operating Outlays	**$ 5,995,529**	**$ 5,760,063**	**$ 6,810,063**	**$ 6,854,862**	**$ 1,094,799**	**19.0%**
TOTAL OUTLAYS****	**$ 5,995,529**	**$ 5,760,063**	**$ 6,810,063**	**$ 6,854,862**	**$ 1,094,799**	**19.0%**
Less Intra-District Reimb	(4,672,984)	(5,621,673)	(5,621,673)	(6,585,373)	(963,700)	17.1%
NET OUTLAYS	**$ 1,322,545**	**$ 138,390**	**$ 1,188,390**	**$ 269,489**	**$ 131,099**	**94.7%**
BALANCE AVAILABLE	**$ (944,088)**	**$ 111,610**	**$ (968,390)**	**$ (79,489)**	**$ (191,099)**	**(171.2)%**
YEAR-END RESERVES						
Committed Reserves						
Catastrophy - Property Self-Insurance	$ 7,244,312	$ 6,113,912	$ 6,275,922	$ 6,196,433	$ 82,521	1.4%
Workers Compensation Liability	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
Total Committed Reserves	**$ 14,329,912**	**$ 13,147,912**	**$ 13,361,522**	**$ 13,282,033**	**$ 134,121**	**1.0%**
TOTAL YEAR-END RESERVES	**$ 14,329,912**	**$ 13,147,912**	**$ 13,361,522**	**$ 13,282,033**	**$ 134,121**	**1.0%**

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 1,884,063	$ 1,991,775	$ 1,991,775	$ 2,122,852	$ 131,077	6.6%
Salary Savings Factor	—	—	—	(56,077)	(56,077)	—
Services & Supplies	2,996,688	2,731,621	3,781,621	3,665,921	934,300	34.2%
Intra-District Charges	1,114,777	1,036,667	1,036,667	1,122,166	85,499	8.2%
OPERATING OUTLAY TOTAL	**$ 5,995,528**	**$ 5,760,063**	**$ 6,810,063**	**$ 6,854,862**	**$ 1,094,799**	**19.0%**
TOTAL OUTLAYS****	**$ 5,995,528**	**$ 5,760,063**	**$ 6,810,063**	**$ 6,854,862**	**$ 1,094,799**	**19.0%**

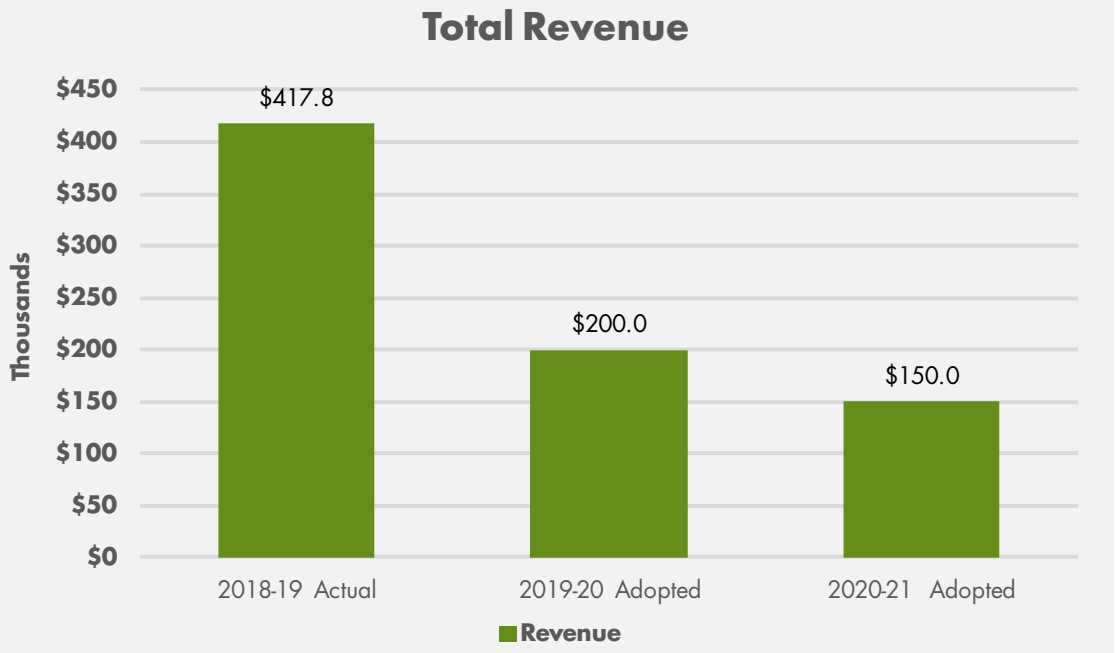
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

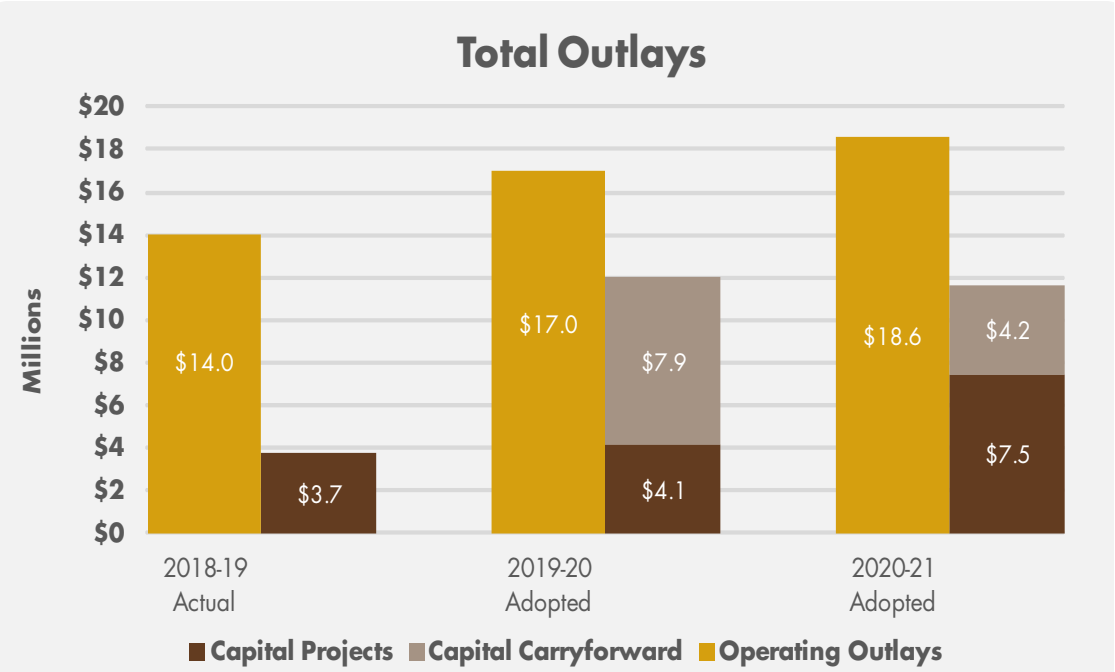
Total Outlays - Risk Management Fund

	Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Project Managed By
Operations						
	65051001	Risk Management	2,496,681	2,077,077	2,483,497	Office of District Counsel
	65051002	Workers Compensation Program	705,883	854,767	865,171	Office of District Counsel
	65051003	Health&Safety Program Mgt	2,577,869	2,728,219	2,916,271	Office of COO IT and Admin Services
**	65051009	District Ergonomics Program	10,000			Office of COO IT and Admin Services
	65061004	Districtwide Salary Savings-72			(56,077)	Financial Planning and Management Services Division
Total Operations			**5,790,433**	**5,660,063**	**6,208,862**	
Operating Project						
	65052001	2017 President Day Flood	205,096	100,000	646,000	Office of District Counsel
Total Operating Project			**205,096**	**100,000**	**646,000**	
Total			**5,995,529**	**5,760,063**	**6,854,862**	

*Recipient projects
**Closed, combined or no current year funding

Information Technology Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Information Technology Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
REVENUE						
Interest Income *	$ 342,507	$ 200,000	$ 300,000	$ 150,000	$ (50,000)	(25.0)%
Nonoperating Other	75,311	—	—	—	—	—
TOTAL REVENUE	**$ 417,818**	**$ 200,000**	**$ 300,000**	**$ 150,000**	**$ (50,000)**	**(25.0)%**
OUTLAYS						
Operating Outlays						
Operations **	$ 13,979,771	$ 17,039,664	$ 17,039,664	$ 18,572,619	$ 1,532,955	9.0%
Total Operating Outlays	**$ 13,979,771**	**$ 17,039,664**	**$ 17,039,664**	**$ 18,572,619**	**$ 1,532,955**	**9.0%**
Capital Outlays						
Capital Projects	$ 3,735,272	$ 4,130,257	$ 13,767,000	$ 7,480,088	$ 3,349,831	81.1%
Carry Forward Capital Projects	—	7,916,000	—	4,163,731	(3,752,269)	(47.4)%
Total Capital Outlays	**$ 3,735,272**	**$ 12,046,257**	**$ 13,767,000**	**$ 11,643,819**	**$ (402,438)**	**(3.3)%**
TOTAL OUTLAYS****	**$ 17,715,043**	**$ 29,085,921**	**$ 30,806,664**	**$ 30,216,438**	**$ 1,130,517**	**3.9%**
Less Intra-District Reimb	(13,622,447)	(15,438,381)	(15,438,381)	(20,478,923)	(5,040,542)	32.6%
NET OUTLAYS	**$ 4,092,596**	**$ 13,647,540**	**$ 15,368,283**	**$ 9,737,515**	**$ (3,910,025)**	**(28.6)%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,513,610	$ 4,130,000	$ 4,130,000	$ 7,480,000	$ 3,350,000	81.1%
TOTAL OTHER SOURCES/(USES)	**$ 6,513,610**	**$ 4,130,000**	**$ 4,130,000**	**$ 7,480,000**	**$ 3,350,000**	**81.1%**
BALANCE AVAILABLE	**$ 2,838,832**	**$ (9,317,540)**	**$ (10,938,283)**	**$ (2,107,515)**	**$ 7,210,025**	**(77.4)%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 13,969,749	$ 2,304,000	$ 4,333,006	$ 169,275	$ (2,134,725)	(92.7)%
Operating and Capital Reserve	1,335,474	942,270	33,934	2,090,150	1,147,880	121.8%
Total Committed Reserves	**$ 15,305,223**	**$ 3,246,270**	**$ 4,366,940**	**$ 2,259,425**	**$ (986,845)**	**(30.4)%**
TOTAL YEAR-END RESERVES	**$ 15,305,223**	**$ 3,246,270**	**$ 4,366,940**	**$ 2,259,425**	**$ (986,845)**	**(30.4)%**

Information Technology Fund Summary (Continued)

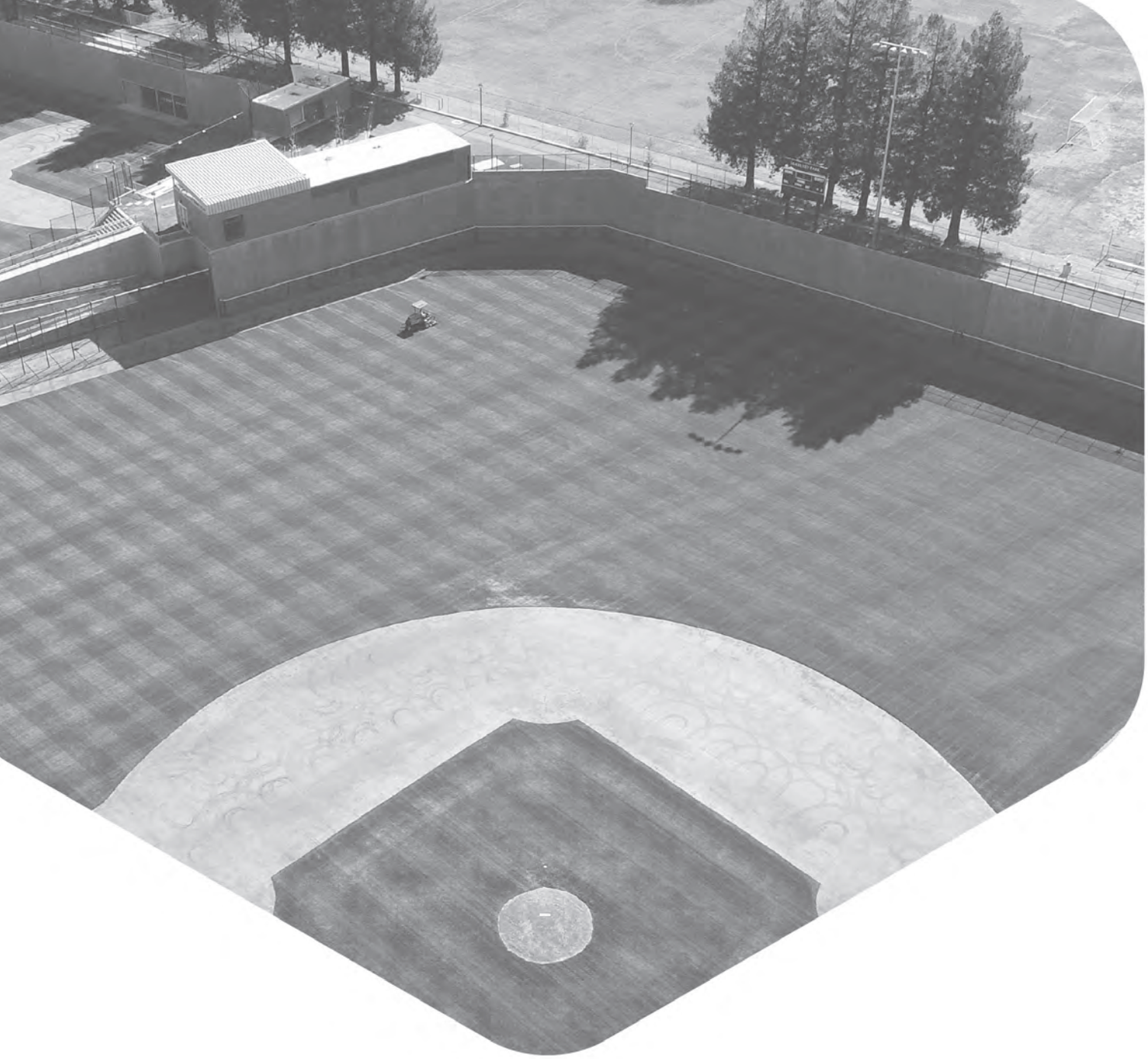
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Change from 2019-20 Adopted	
					$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 6,090,895	$ 6,753,466	$ 6,753,466	$ 7,268,880	$ 515,414	7.6%
Salary Savings Factor	—	—	—	(188,594)	(188,594)	—
Services & Supplies	4,923,721	7,374,388	7,374,388	8,453,273	1,078,885	14.6%
Intra-District Charges	2,965,154	2,911,811	2,911,811	3,039,059	127,248	4.4%
OPERATING OUTLAY TOTAL	**$ 13,979,770**	**$ 17,039,665**	**$ 17,039,665**	**$ 18,572,618**	**$ 1,532,953**	**9.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 240,814	$ 1,212,103	$ 1,212,103	$ 1,874,530	$ 662,427	54.7%
Salary Savings Factor	—	—	—	(49,631)	(49,631)	—
Services & Supplies	3,405,209	2,671,991	12,308,734	4,708,317	2,036,326	76.2%
Carry Forward Capital Projects	—	7,916,000	—	4,163,731	(3,752,269)	(47.4)%
Intra-District Charges	89,249	246,163	246,163	946,872	700,709	284.7%
CAPITAL PROJECTS TOTAL	**$ 3,735,272**	**$ 12,046,257**	**$ 13,767,000**	**$ 11,643,819**	**$ (402,438)**	**(3.3)%**
TOTAL OUTLAYS****	**$ 17,715,042**	**$ 29,085,922**	**$ 30,806,665**	**$ 30,216,437**	**$ 1,130,515**	**3.9%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Information Technology Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
Operations						
73061004	Districtwide Salary Savings-73			(188,594)		Financial Planning and Management Services Division
73271001	Telecommunications Sys Opr/M	2,069,815	2,269,534	2,421,069		Information Technology Division
73271002	Technical Infrastructure Servi	697,246	1,060,489	759,531		Information Technology Division
73271003	Network Administration	2,680,092	2,522,266	2,550,031		Information Technology Division
73271004	Information Security Admin	111,737	833,996	851,215		Information Technology Division
73271005	Offce Cmptr Maint/Help Dsk Sup	1,538,661	1,643,345	2,056,188		Information Technology Division
73271006	Info Technology Div Admin	1,250,753	1,508,678	786,636		Information Technology Division
73271007	Emerging IT Technologies	92,512	123,943	100,000		Information Technology Division
73271008	Software Maint & License	877,069	1,353,182	2,658,758		Information Technology Division
73271009	Software Services	4,661,885	5,724,231	5,701,253		Information Technology Division
73271010	IT Projects & Bus Operations			876,530		Information Technology Division
Total Operations		**13,979,771**	**17,039,664**	**18,572,619**		
Capital						
73064004	Districtwide Salary Savings-73			(49,631)		Financial Planning and Management Services Division
73274001	IT Disaster Recovery	508,443			801,340	Information Technology Division
73274002	ERP System Implementation	1,063,971		2,258,092	3,359,448	Information Technology Division
73274004	Network Equipment	862,899	990,396	2,527,604	396	Information Technology Division
73274006	Office Computers Replace Equip	935,853	1,182,287	1,666,713	1,287	Information Technology Division
73274008	Software Upgrades & Enhancemen	289,106	781,203	871,046	454	Information Technology Division
73274009	Data Consolidation	31,215	60,371	74,384	806	Information Technology Division
** 73274010	Boardroom Technology Upgrade	30,433				Information Technology Division
73274011	E-Discovery Management System	13,353				Information Technology Division
73274012	Telephone System Voice Over IP		1,116,000	131,880		Information Technology Division
					5	
Total Capital		**3,735,272**	**4,130,257**	**7,480,088**	**4,163,736**	
Total		**17,715,043**	**21,169,921**	**26,052,707**	**4,163,736**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21.



Resolutions

FY 2020–21
Operating and Capital Budget

RESOLUTIONS

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-22

DELEGATING AUTHORITY TO DEPOSIT AND
INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (Valley Water), in accordance with Executive Limitation 4.9, believes that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for Valley Water; and

WHEREAS, from time to time, there are Valley Water funds available for the purpose of investment or deposit; and

WHEREAS, the Board of Valley Water has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer/Chief Financial Officer (CFO), designated by the Chief Executive Officer (CEO), authority to invest or deposit such funds in accordance with the provisions of the Government Code; and

WHEREAS, it will be more convenient in the handling of said bonds or other securities so purchased that they be kept in safekeeping by said banks while they are the property of Valley Water.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer/Chief Financial Officer, designated by the CEO, pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest, deposit, or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, Valley Water pursuant to the Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the Government Code, as amended from time to time and as directed by the policies of the Board.

BE IT FURTHER RESOLVED that the Treasurer and his or her designee (the Treasury and Debt Officer) be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of Valley Water from any of the various accounts of Valley Water when such funds will not be needed for the immediate necessities of Valley Water.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2020-21, and shall be reconsidered by the Board at a public meeting annually.

DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE

Resolution No. 20-22

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 12, 2020:

AYES: Directors Kremen, Santos, Estremera, Keegan, LeZotte, Varela, Hsueh

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-25

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM AND OTHER SHORT-TERM OBLIGATIONS

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Valley Water"), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California ("State"), has previously undertaken a commercial paper program; and

WHEREAS, in order to continue the commercial paper program and to support other short-term financings from time to time, Valley Water has determined to issue in fiscal year 2020-2021 tax-exempt tax and revenue anticipation notes ("Tax-Exempt Notes") and taxable tax and revenue anticipation notes (the "Taxable Notes," and together with the Tax-Exempt Notes, the "Notes") in a combined aggregate principal amount not to exceed $400,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code on the terms set forth herein.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code.

"Bonds" means all revenue bonds or notes of Valley Water authorized, executed, issued and delivered by Valley Water, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Chief Executive Officer" means the duly-appointed Chief Executive Officer or any duly appointed Acting or Interim Chief Executive Officer of Valley Water.

"Chief Financial Officer" means the duly-appointed Chief Financial Officer or any duly appointed Acting or Interim Chief Financial Officer of Valley Water.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Contract" means all installment purchase agreements or other contracts of Valley Water authorized and executed by Valley Water, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM AND OTHER SHORT-TERM OBLIGATIONS

Resolution No. 20-25

"Master Resolution" means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of Valley Water on February 23, 2016, as amended.

"Net Water Utility System Revenues" has the meaning set forth in the Master Resolution.

"Notes" means the Tax-Exempt Notes and the Taxable Notes.

"Regulations" means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

"Tax-Exempt Notes" means the Santa Clara Valley Water District 2020-2021 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

"Taxable Notes" means the Santa Clara Valley Water District 2020-2021 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

"Valley Water" means the Santa Clara Valley Water District.

"Water Utility System Revenues" has the meaning set forth in the Master Resolution.

SECTION 2. ISSUANCE OF THE NOTES; AMOUNT; TERMS; INTEREST RATE; PLACE OF PAYMENT; USE OF PROCEEDS

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $400,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of Valley Water which will be available for the payment therefor. A certificate of the Chief Executive Officer or Chief Financial Officer certifying to such effect, in the form attached hereto as "Exhibit B," shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated "Santa Clara Valley Water District 2020-2021 Tax-Exempt Tax and Revenue Anticipation Notes" and the Taxable Notes shall be designated "Santa Clara Valley Water District 2020-2021 Taxable Tax and Revenue Anticipation Notes." The Notes shall be dated the date of issuance thereof. The Notes shall be payable at the office of Valley Water at such times and in such amounts as set forth in the respective Notes. The Notes shall mature and be payable no later than October 1, 2021. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or other short-term obligations to which such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof. Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM AND OTHER SHORT-TERM OBLIGATIONS

Resolution No. 20-'25

The proceeds of the Notes will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

SECTION 3. EXECUTION OF THE NOTES

The Chief Executive Officer and Chief Financial Officer are hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

SECTION 4. FORM OF THE NOTES

The Notes shall be issued in substantially the form set forth in "Exhibit A" attached hereto and incorporated herein and may be issued in typewritten form.

SECTION 5. PAYABLE FROM NET WATER UTILITY SYSTEM REVENUES

The obligation of Valley Water to make payments of principal of and interest on the Notes is a general obligation of Valley Water. Valley Water hereby pledges Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support the commercial paper program, all in accordance with the Master Resolution. Valley Water may pledge Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support other short-term obligations, such pledge to be set forth in such short-term obligations. The Notes do not constitute a debt of Valley Water or the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 6. CERTIFIED COPIES

The Valley Water Clerk of the Board shall provide a certified copy of this document to the Chief Executive Officer who shall take such action as shall be necessary to assure compliance by Valley Water with the terms and conditions hereof.

SECTION 7. EFFECTIVE DATE

This resolution shall take effect immediately.

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM AND OTHER SHORT-TERM OBLIGATIONS

Resolution No. 20-25

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 12, 2020:

AYES: Directors Kremen, Estremera, Keegan, LeZotte, Santos, Varela, Hsueh

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT
2020–2021 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $155,000,000 in lawful money of the United States of America, on October 1, 2021, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2020-2021 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the commercial paper program is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 12, 2020 authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer and the General Counsel or the General Counsel's designee, all as of July 1, 2020.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Stanly T. Yamamoto
District Counsel

SANTA CLARA VALLEY WATER DISTRICT
2020–2021 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $205,000,000 in lawful money of the United States of America, on October 1, 2021, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which this Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2020-2021 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the commercial paper program is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 12, 2020 authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer, and the General Counsel or the General Counsel's designee, all as of July 1, 2020.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Stanly T. Yamamoto
District Counsel

EXHIBIT B

$360,000,000
SANTA CLARA VALLEY WATER DISTRICT
2020–2021 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $400,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the Santa Clara Valley Water District ("Valley Water"), as determined by the following calculation:

FY 2020–21 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money[1] (A)	$506,616,928
FY 2020–21 Tax and Revenue Anticipation Notes:	
Principal Amount of the Notes[2]	360,000,000
Interest on the Notes[3]	54,960,000
Total (B)	414,960,000
Percentage (B)/(A)	81.91%%

Dated: July 1, 2020

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Darin Taylor
Chief Financial Officer

[1] *Source: FY 2020-21 Adopted Budget*
[2] *Amount may be lower than Board's not-to-exceed authorization.*
[3] *Assumes maximum interest rate of 12% calculated based on actual/360-day basis*

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20- 26

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE

WHEREAS, the Santa Clara Valley Water District ("Valley Water") is a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Board of Directors of Valley Water intends to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (collectively, "Project"); and

WHEREAS, Valley Water expects to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes ("Obligations"); and

WHEREAS, prior to the execution and delivery of the Obligations, Valley Water desires to incur certain expenditures with respect to the Project from available monies of Valley Water, which expenditures are desired to be reimbursed by Valley Water from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby finds, determines, declares, and resolves as follows:

1. Valley Water hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the execution and delivery of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

2. The reasonably expected maximum principal amount of the Obligations is $213,860,807.

3. This resolution is being adopted on or prior to the date ("Expenditure Date or Dates") that Valley Water will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

4. Except as described below, the expected date of execution and delivery of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, however, that the reimbursement may not be made more than three years after the original expenditure is paid.

5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of Valley Water) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of Valley Water or any entity related in any manner to Valley Water, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

6. This resolution is consistent with the budgetary and financial circumstances of Valley Water as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by Valley Water (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by Valley Water that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

7. The limitations described in Section 3 and Section 4 of this Resolution do not apply to: (a) costs of issuance with respect to the Obligations; (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

8. This resolution is adopted as official action of Valley Water in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Valley Water expenditures incurred prior to the date of execution and delivery of the Obligations, is part of the Valley Water's official proceedings, and will be available for inspection by the general public at the main administrative office of Valley Water.

9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 12, 2020:

AYES: Directors Kremen, Estremera, Keegan, LeZotte, Santos, Varela, Hsueh

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

EXHIBIT A

DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2021-25 Capital Improvement Plan (the "CIP") for water supply infrastructure, including storage, transmission, treatment, and recycled water facilities, water resources stewardship, and Expedited Purified Water Program, as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-27

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR
SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Issuer") desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein ("Project"); and

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes ("Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

Section 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 2. The reasonably expected maximum principal amount of the Obligations is $99,967,145.

Section 3. This resolution is being adopted no later than 60 days subsequent to the first date (each day of expenditure referred to herein as the "Expenditures Date or Dates") that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

Section 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, ..." is not applicable.

Section 5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Intention to Issue Tax-Exempt Obligations for Safe, Clean Water and Natural Flood Protection Program

Resolution No. 20-27

are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

Section 9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

Section 10. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 12, 2020:

AYES: Directors Kremen, Estremera, Keegan, LeZotte, Santos, Varela, Hsueh

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

EXHIBIT A

DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection capital improvements set forth in the Fiscal Year 2021-25 Capital Improvement Plan (the "CIP"), as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-28

ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2020-2021 IN FLOOD CONTROL ZONES OF SANTA CLARA VALLEY WATER DISTRICT, IN ACCORDANCE WITH RESOLUTION NOS. 86-54, 86-55, 86-56, 86-57, AND 90-7, AND AUTHORIZING A PROCEDURE FOR CORRECTING ASSESSMENTS

BE IT RESOLVED, by the Board of Directors of the Santa Clara Valley Water District (Valley Water) as follows:

FIRST: In accordance with the requirements of law and of the terms of Valley Water Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7, the Chief Executive Officer (CEO) of Valley Water has caused a written report to be prepared and filed for the fiscal year 2020-21, setting forth the annual amounts to be collected through benefit assessment rates in each established flood control zone of Valley Water, pursuant to a voter-approved program.

SECOND: Upon receiving and filing the report, the Clerk of the Board gave notice of a hearing on the same by posting at least three copies of the notice in each established flood control zone of Valley Water and by publication pursuant to Section 6066 of the Government Code.

THIRD: The Board, having heard the matter as scheduled or as postponed or duly continued, does hereby:

A. Fix and establish land use categories for each parcel of land to be assessed in Valley Water as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for apartments or institutional purposes such as churches and schools.

Group C: The first 0.25 acre of a parcel of land used for single- and multiple-family residences up to four units, and each townhouse or condominium unit in a complex.

Group D:
(1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses.

(2) The portion of land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.

Group E: Vacant, undisturbed land (1) in urban areas and (2) in rural areas including dry farmland, grazing and pastureland, forest and brushland, salt ponds, and parcels used exclusively as well sites.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2020-2021 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 20-28

B. Levy, fix, and establish flood control benefit assessments for fiscal year 2020-21 commencing July 1, 2020, and ending June 30, 2021, on each parcel of real property in each established flood control zone of Valley Water, at the benefit assessment rates and minimum charges for each of the established land use categories to raise sufficient proceeds to meet duly authorized debt obligations of each flood control zone as follows:

FLOOD CONTROL BENEFIT ASSESSMENTS TO BE COLLECTED IN 2020-2021

Flood Control Zone	Debt Obligation
Northwest	$2,735,024
North Central	$2,037,986
Central	$3,995,628
East	$3,725,522
South	$0

C. The actual 2020-2021 rates shall be determined by the CEO or her designee, once updated parcel land use and area information is received from the Santa Clara County Assessor's Office. These rates shall be used to prepare the benefit assessments for each parcel and shall be submitted to the Santa Clara County Tax Collector for collection.

FOURTH: Benefit assessments found to be in error and that result in an over assessment to property owners may be corrected by a check or checks drawn upon the appropriate Benefit Assessment Fund upon approval by the Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and Valley Water Counsel.

FIFTH: Paragraph D of the SECOND section of Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7 are hereby amended to provide as follows:

> Upon receiving and filing the report the Clerk of the Board shall fix a time, date and place for a hearing on the report, preceded by notice published pursuant to Section 6066 of the California Government Code and by posting the notice as provided by law.

SIXTH: The Clerk of the Board shall file certified copies of this resolution with both the Tax Roll Control Office of County of Santa Clara and with the Recorder of said County.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2020-2021 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 20-28

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES: Directors Varela, Santos, Hsueh, Estremera, Keegan, Kremen, LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-29

APPROVING FISCAL YEARS 2021-2025 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Santa Clara Valley Water District (Valley Water) has determined that it is in its best interest to prepare a Five-Year Capital Improvement Program (CIP) and to have it reviewed by the County and cities having land use jurisdiction within Santa Clara County; and

WHEREAS, the Board of Directors of Valley Water was presented with a draft Fiscal Years (FY) 2021-2025 Five-Year CIP on February 25, 2020; and

WHEREAS, the draft CIP was transmitted to the Town of Los Gatos and all cities within Valley Water's jurisdiction, the County of Santa Clara, the San Jose Water Company, and the Mid-Peninsula Open Space District for their review on February 26, 2020, and Valley Water staff conducted subsequent meetings with the cities of Santa Clara and San Jose and with the County of Santa Clara regarding the Draft CIP; and

WHEREAS, on April 28, April 29, May 12, and May 26, 2020, Valley Water conducted a public hearing for purposes of receiving input with regard to the draft FY 2021-25 Five-Year CIP; and

WHEREAS, on May 26 the Board of Directors of Valley Water directed staff to include appropriate changes to finalize the FY 2021-25 Five-Year CIP by June 30, 2020.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby approve the FY 2021-25 Five-Year Capital Improvement Program.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES:	Directors	Estremera, Santos, Hsueh, Keegan, Kremen, LeZotte, Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-30

PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2020-2021

WHEREAS, the Santa Clara Valley Water District (Valley Water) owns property and builds, operates and maintains infrastructure in Santa Clara County to: ensure a safe, reliable water supply for the future; reduce toxins, hazards and contaminants, such as mercury and pharmaceuticals, in our waterways; protect our water supply and local dams from the impacts of earthquakes and natural disasters; restore fish, bird and wildlife habitat, and provide open space access; and provide flood protection to homes, business, schools, streets and highways; and

WHEREAS, more than two-thirds of the electors voting in the Santa Clara County did favor a special tax measure in the November 6, 2012, General Election thereby approving the special tax specified in Resolution No. 12-62 for designated purposes.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District (Board) as follows:

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2020, through June 30, 2021, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 26, 2020, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2020-2021 (FY 2020-21)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District Zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (i) 0.25 acre for Groups A, B, and C; and (ii) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2020-2021

Resolution No. 2030

THIRD: Special tax rates for land use categories for each parcel of land in the Combined Zone are defined and established as follows:

Group A: Land used for commercial or industrial purposes: $541.60 per acre, $135.39 minimum for parcels up to 0.25 acre.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: $406.20 per acre, $101.55 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: $32.95 per unit.

Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: $67.67. The first 0.25 acre of a parcel of land used for single-family residential purposes: $67.67.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: $3.47 per acre, $34.70 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single-family residential purposes: $3.47 per acre.

Group E: Vacant undisturbed land (1) in urban areas: $1.02 per acre, $10.23 minimum on parcels less than 10 acres; and (2) in rural areas: $0.14 per acre, with a $10.23 minimum.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

Parcels owned by federal, state, or local government agencies are exempt from this special tax.

FOURTH: Valley Water will provide an exemption from the special tax for low-income owner-occupied residential properties for taxpayer-owners 65 years of age or older as follows:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2020-2021 upon requesting such exemption from Valley Water prior to or during fiscal year 2020-2021. Granting similar exemptions for fiscal years beyond fiscal year 2020-2021 will be made at the discretion of the Board.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2020-2021

Resolution No. 20-30

FIFTH: Any special tax amount found to be in error and that results in an overstatement of tax to a property owner may be corrected by a check or checks drawn upon the Safe, Clean Water and Natural Flood Protection Fund upon approval by the Valley Water Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and District Counsel.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES:	Directors	Estremera, Kremen, Hsueh, Keegan, LeZotte, Santos, Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-31

DETERMINING GROUNDWATER PRODUCTION CHARGES FOR FISCAL YEAR 2020–2021

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing Valley Water's activities in the protection and augmentation of the water supplies of Valley Water has been prepared including: a financial analysis of Valley Water's water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, and future capital improvements and maintenance and operating requirements; a method of financing such requirements; a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of Valley Water during the ensuing fiscal year; and a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W-2, W-5, W-7, and W-8;

2. That on the 28th day of February 2020, said report was duly delivered to the Clerk of the Valley Water Board;

3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 28th day of April 2020, at Valley Water at the address and at the time stated;

4. That on February 28, 2020, written notice was mailed to all owners and operators of water-producing facilities within Valley Water's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;

5. That the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020, allows attendance by members of the Board of Directors, Valley Water staff, and the public to participate and conduct public meetings and hearings by teleconference, videoconference, or both;

6. That pursuant to Section 26.6 of the District Act and consistent with the Governor's Executive Order N-29-20, on the 28th day of April 2020, at 6 p.m. via a virtual public hearing held by teleconference and videoconference, an opportunity was given to the public to comment on said report to Board members located at the Valley Water Boardroom and on video conference, and said public hearing was duly commenced and concluded, more than 45 days after notice of the hearing was given;

7. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at the public hearing;

8. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining, and operating facilities to import water into Valley Water; paying the cost of purchasing imported water; paying the cost of constructing, maintaining, and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water; and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

9. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2, W-5, W-7, and W-8;

10. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2, W-5, W-7, and W-8, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and

11. That the California Environmental Quality Act does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

    a. Meeting operating expenses, including employee wage rates and fringe benefits;

    b. Purchasing or leasing supplies, equipment, or materials;

    c. Meeting financial reserve needs; and

    d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-7 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-8 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2020–2021 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended but not increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing

facilities in Zone W-2 of Valley Water for fiscal year 2020–2021 (July 1, 2020–June 30, 2021) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$1,374.00	$28.86

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2020–2021 groundwater production charges per acre-foot for agricultural water should be extended but not increased and that water other than agricultural water should be extended and decreased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2020–2021 (July 1, 2020–June 30, 2021) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$467.00	$28.86

FOURTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2020–2021 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended but not increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-7 of Valley Water for fiscal year 2020–2021 (July 1, 2020–June 30, 2021) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$481.00	$28.86

FIFTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2020–2021 groundwater production charges per acre-foot for agricultural water should be extended but not increased and that water other than agricultural water should be extended and decreased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2020–2021 (July 1, 2020–June 30, 2021) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$327.00	$28.86

SIXTH: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

SEVENTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES:	Directors	Varela, Estremera, Hsueh, Keegan, Kremen, LeZotte, Santos
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-32

DETERMINING SURFACE WATER,
TREATED WATER, AND SOUTH COUNTY
RECYCLED WATER CHARGES FOR FISCAL YEAR 2020–2021

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing Valley Water's activities in the protection and augmentation of the water supplies of Valley Water, including a recommendation as to charges for surface water that should be imposed in Zones W-2, W-5, W-7, and W-8 of Valley Water during the ensuing fiscal year;

2. That on February 28, 2020, written notice was mailed to all owners and operators of water-producing facilities within Valley Water's boundaries, advising of the proposed raw surface water charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;

3. That the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020, allows attendance by members of the Board of Directors, Valley Water staff, and the public to participate and conduct public meetings and hearings by teleconference, videoconference, or both;

4. That pursuant to Section 26.6 of the District Act and consistent with the Governor's Executive Order N-29-20, on the 28th day of April 2020, at 6 p.m. via a virtual public hearing held by teleconference and videoconference, an opportunity was given to the public to comment on said report to Board members located at the Valley Water Boardroom and on video conference;

5. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision;

6. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining, and operating facilities to import water into Valley Water; paying the cost of purchasing imported water; paying the cost of constructing, maintaining, and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water; and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

7. The record owners of water-producing facilities were given the opportunity to file a written protest objecting to the proposed raw surface water charge increase;

8. That this Board considered all protests objecting to the proposed raw surface water charge increases for Zones W-2, W-5, W-7, and W-8, respectively, and after the close of the hearing determined that written protests were not received from more than

50 percent of the record owners of surface water facilities in Zone W-2, W-5, W-7, and W-8; and

9. That the California Environmental Quality Act does not apply to approval of these charges pursuant to statutory exemption California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

   a. Meeting operating expenses, including employee wage rates and fringe benefits;

   b. Purchasing or leasing supplies, equipment, or materials;

   c. Meeting financial reserve needs; and

   d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that, subject to the provisions of a minimum charge as set forth in Item 5 below, the charges to be applied in fiscal year 2020–2021 (July 1, 2020–June 30, 2021) for surface-delivered water of Valley Water, for Valley Water watermaster service and, where applicable, for capital cost repayment, and the area within which such charges shall be applied will be as follows:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

Water Other Than Agricultural	Agricultural Water
$1,374.00	$28.86

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

Water Other Than Agricultural	Agricultural Water
$467.00	$28.86

3. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-7 is:

Water Other Than Agricultural	Agricultural Water
$481.00	$28.86

4. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-8 is:

Water Other Than Agricultural	Agricultural Water
$327.00	$28.86

5. The charge for watermaster service throughout Valley Water whether such service is for agricultural water or for water other than agricultural water shall be $37.50 per acre-foot;

6. The minimum charge for water other than agricultural water in Zone W-2 shall be $1,030.50 per fiscal year or part thereof, in Zone W-5 shall be $350.25 per fiscal year or part thereof, in Zone W-7 shall be $360.75 per fiscal year or part thereof, and in Zone W-8 shall be $245.25 per fiscal year or part thereof;

7. The minimum charge for agricultural water in Zone W-2 shall be $21.65 per fiscal year or part thereof, in Zone W-5 shall be $21.65 per fiscal year or part thereof, in Zone W-7 shall be $21.65 per fiscal year or part thereof, and in Zone W-8 shall be $21.65 per fiscal year or part thereof; and

8. Charges (including minimum charges) per acre-foot for surface water delivered to users in Valley Water outside of Zone W-2, Zone W-5, Zone W-7, or Zone W-8 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

BE IT FURTHER RESOLVED that upon due review of anticipated costs and revenues of Valley Water, the following rate schedule in dollars per acre-foot for the delivery of treated water is hereby established as the Contract Treated Water Charge, which is comprised of the Basic User Charge and the Treated Water Surcharge for the 2020–2021 fiscal year (July 1, 2020–June 30, 2021):

Charge	Amount
Basic User Charge	$1,374.00
Treated Water Surcharge	100.00
Contract Treated Water Charge	$1,474.00

BE IT FURTHER RESOLVED that the price to be charged per acre-foot for recycled water from the South County Regional Wastewater Authority Facility at Gilroy shall be the following for the 2020–2021 fiscal year (July 1, 2020–June 30, 2021):

Water Other Than Agricultural	Agricultural Water
$447.00	$56.26

AYES:	Directors	Varela, Estremera, Hsueh, Keegan, Kremen, LeZotte, Santos
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

NA HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-34

PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2020-21 TO MEET THE COST OF ITS WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA

WHEREAS, the Santa Clara Valley Water District (Valley Water) incurs an annual indebtedness to the State of California (State) pursuant to its Water Supply Contract With the State of California dated November 20, 1961, (State Water Supply Contract), and such indebtedness was approved by the voters prior to July 1, 1978 within the meaning of Article XIIIA of the California Constitution; and

WHEREAS, Valley Water anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2020, and ending June 30, 2021 (Fiscal Year 2020-21), will be at least $18.0 million; and

WHEREAS, Section 11652 of the California Water Code requires the Valley Water Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under Valley Water's Water Supply Contract; and

WHEREAS, Section 1(b) of Article XIIIA of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by the voters prior to July 1, 1978, from the limitation set forth in Section 1(a) of Article XIIIA; and

WHEREAS, Valley Water's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, the District's Water Supply Contract is protected against impairment under the provisions of Article I, Section 10 of the Constitution of the United States and Article I, Section 9 of the California Constitution prohibiting the impairment of the obligation of contracts; and

WHEREAS, the Board, after reviewing and considering all the facts, information and reports provided by Valley Water staff, and information communicated to the Board during public meetings in which Valley Water's Fiscal Year 2020-21 budget and proposed increase of rates and charges were considered, has determined that it is necessary to raise the amounts hereinafter specified as an ad valorem real property tax, and that it is not practicable to raise said sums from water rates or other sources; and

WHEREAS, said ad valorem real property tax is consistent with Valley Water's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 C.A. 3d quo), the approach of other water districts and agencies that maintain water supply contracts with the State.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. That said Board has determined that the amounts necessary to be raised by taxation during Valley Water's Fiscal Year 2020-21 to pay indebtedness approved by the voters prior to July 1, 1978, and/or for which a tax levy is required under Article I, Section 10 of the United States Constitution and Article I, Section 9 of the California Constitution is

$18.0 million for payments on Valley Water's State Water Supply Contract dated November 20, 1961.

2. That consistent with the requirements of law and specifically within the limitations imposed by Article XIIIA of the Constitution of the State of California there shall be levied in Fiscal Year 2020-21 an ad valorem real property tax within Valley Water, sufficient to raise the sum of $18.0 million to meet that portion of Valley Water's Water Supply Contract obligation which may be lawfully so raised.

3. That the funds received by Valley Water pursuant to the aforementioned ad valorem tax levy shall be placed in a separate fund identified for the indebtedness set forth above.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES:	Directors	Estremera, Hsueh, Keegan, LeZotte, Santos, Varela
NOES:	Directors	Kremen
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-33

APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2020-21

WHEREAS, on April 29, 2020, the Board of Directors of the Santa Clara Valley Water District (Valley Water) held its annual budget work study sessions to review and consider the Proposed Operating and Capital Budget (Budget) for Fiscal Year (FY) 2020-21; and

WHEREAS, such budget work study sessions were open to the general public to appear and be heard regarding any item of the proposed budget or for the inclusion of additional items; and

WHEREAS, Section 20 of the District Act requires that after conclusion of the public meeting(s) to hear general public comments on the proposed budget, the Board shall by resolution adopt the budget as finally determined including any revisions that the Board determines advisable during or after the meeting(s) and not later than June 30 of each year; and

WHEREAS, the Budget for FY 2020-21 was developed in accordance with the Board's Executive Limitations EL-4 that the Valley Water's financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan; and

WHEREAS, the Board was provided a comprehensive overview of the budget development process and assumptions, Valley Water-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2020-21; and

WHEREAS, the Board of Directors has previously created the following Special Purpose Funds (as such term is defined in Resolution 16-10, adopted on February 23, 2016): San Felipe Emergency Reserve, Silicon Valley Advanced Water Purification Center Reserve, Supplemental Water Supply Reserve, Drought Reserve, and P3 Reserve; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2020-21 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and helps ensure future financial sustainability.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Budget for FY 2020-21, plus any changes or modifications made at the time of adoption, and including the terms of this Resolution, is hereby approved and adopted; and

BE IT FURTHER RESOLVED that the total appropriations approved by the Board of Directors, which include all operating and capital outlays, debt service payments and interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

FY 2020-21 Operating, Capital, and Interfund Transfer Budget

1.	District General Fund (11)	$ 73,429,225
2.	Watershed and Stream Stewardship Fund (12)	$ 107,817,095
3.	Lower Peninsula Watershed Fund (21)	$ 2,707,673
4.	West Valley Watershed Fund (22)	$ 2,259,408
5.	Guadalupe Watershed (23)	$ 4,560,561
6.	Coyote Watershed Fund (24)	$ 3,939,179
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 77,040,602
8.	Water Enterprise Fund (61)	$ 384,803,004
9.	State Water Project Fund (63)	$ 29,636,261
10.	Fleet Management Fund (71)	$ 8,536,251
11.	Risk Insurance Fund (72)	$ 6,854,862
12.	Information Technology Fund (73)	$ 26,052,707

FY 2020-21 Reserves Budget

1.	District General Fund (11)	$ 5,732,805
2.	Watershed and Stream Stewardship Fund (12)	$ 115,513,079
3.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 80,380,518
4.	Water Enterprise Fund (61)	$ 130,506,166
5.	State Water Project Fund (63)	$ 0
6.	Fleet Management Fund (71)	$ 1,493,465
7.	Risk Insurance Fund (72)	$ 13,282,033
8.	Information Technology Fund (73)	$ 2,259,425

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Valley Water FY 2020-21 Operating, Capital and Interfund Transfer Budget shall occur as follows:

   (a) By Valley Water Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or interfund transfer budget or reserve appropriations.

   (b) By Valley Water Board of Directors action for all budget adjustments between capital projects within a fund that exceed $100,000 per project within the fiscal year.

   (c) Delegation of authority is hereby conferred to the Chief Executive Officer (CEO), or his/her designee to approve budget transfers from the Supplemental Water Supply Reserve for amounts not to exceed 20 percent of the annual imported water purchases budget. The CEO shall inform the Board of any such budget transfers on a timely basis.

   (d) By the CEO, or his/her designee, for all other changes.

2. With the exception of those capital projects that have been closed or those related to capital program management and administrative services, any unexpended or unencumbered appropriation balances remaining at the end of FY 2019-20 for capital projects are hereby reappropriated to FY 2020-21 for continued use in those same projects, up to $100,000 above the planned expenditure amounts for each project identified in the draft Five-Year CIP for FY 2020-21. The portion of the balances that are not reappropriated to FY 2020-21

will remain as designated reserves for Current Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

3. Any variances at the end of FY 2020-21 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2020-21 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2020-21 estimated reserve appropriations in accordance with the Valley Water Reserve Policy. These adjustments shall be made in the following order:

   (a) First, to restore Restricted Reserves.
   (b) Second, to restore Risk Fund Committed Reserves.
   (c) Third, to restore other Committed Reserves excluding Operating and Capital Reserves.
   (d) Fourth, to restore Operating and Capital Reserves.

4. If at the commencement of FY 2020-21, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, Valley Water shall proceed in accordance with the following authorizations:

   (a) Except as otherwise provided in Section 4(b), the amounts set forth in the proposed budget for operating outlays, including existing debt service requirements, and capital outlays and the purposes therein specified, except funding for fixed assets, and residual equity transfers, are deemed appropriated until the final adoption of the budget by the Board of Directors.

   (b) Funding for fixed assets and residual equity transfers are deemed appropriated until the adoption of the final budget if specifically approved by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES: Directors Estremera, Hsueh, Keegan, LeZotte, Santos, Varela

NOES: Directors Kramen

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

RESOLUTION NO. 20-62

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-21

WHEREAS, Article XIII B of the California Constitution and Government Code Sections 7901-7914 provide that the State and each local agency shall be subject to an annual Appropriations Limit as defined therein; and

WHEREAS, Article XIII B, Section 8(e)(2), requires each local government entity to select its methodology annually by a recorded vote of the governing body; and

WHEREAS, the Santa Clara Valley Water District (Valley Water) has selected the percentage change in California per capita personal income as the factor to be used in the calculation of the Appropriations Limit; and

WHEREAS, Valley Water has prepared the applicable documentation as intended by Article XIII B of the California Constitution, and such documents pursuant to Government Code Section 7910(a) were made available fifteen (15) days prior to adoption for public review in the Office of the Clerk of the Board during regular business hours.

NOW, THEREFORE BE IT RESOLVED that the Appropriations Limit for Fiscal Year 2020-21 is hereby established at $166,776,193 by applying the percentage change in California per capita personal income of 3.73 percent, and the Santa Clara County population percentage change over prior year of 0.37 percent as shown on Exhibit A. This limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution.

BE IT FURTHER RESOLVED that any judicial action or proceeding to attack, review, set aside, void, or annul the Fiscal Year 2020-21 Appropriations Limit established by this resolution shall be commenced within forty-five (45) days from the date of this resolution in accordance with Section 7910(b) of the Government Code.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on June 23, 2020:

AYES: Directors LeZotte, Santos, Estremera, Keegan, Kremen, Varela, Hsueh

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

EXHIBIT A

Santa Clara Valley Water District Fiscal Year 2020-21
Appropriations Limit on the Proceeds of Taxes*

	FY 2019-20 Appropriations Limit	Ratio of Change	FY 2020-21** Appropriations Limit	FY 2020-21 Budgeted Proceeds of Taxes	Amount Under/(Over) Limit
Watershed & Stream Stewardship	$160,192,290	1.0411	$166,776,193	$35,642,033	$131,134,160

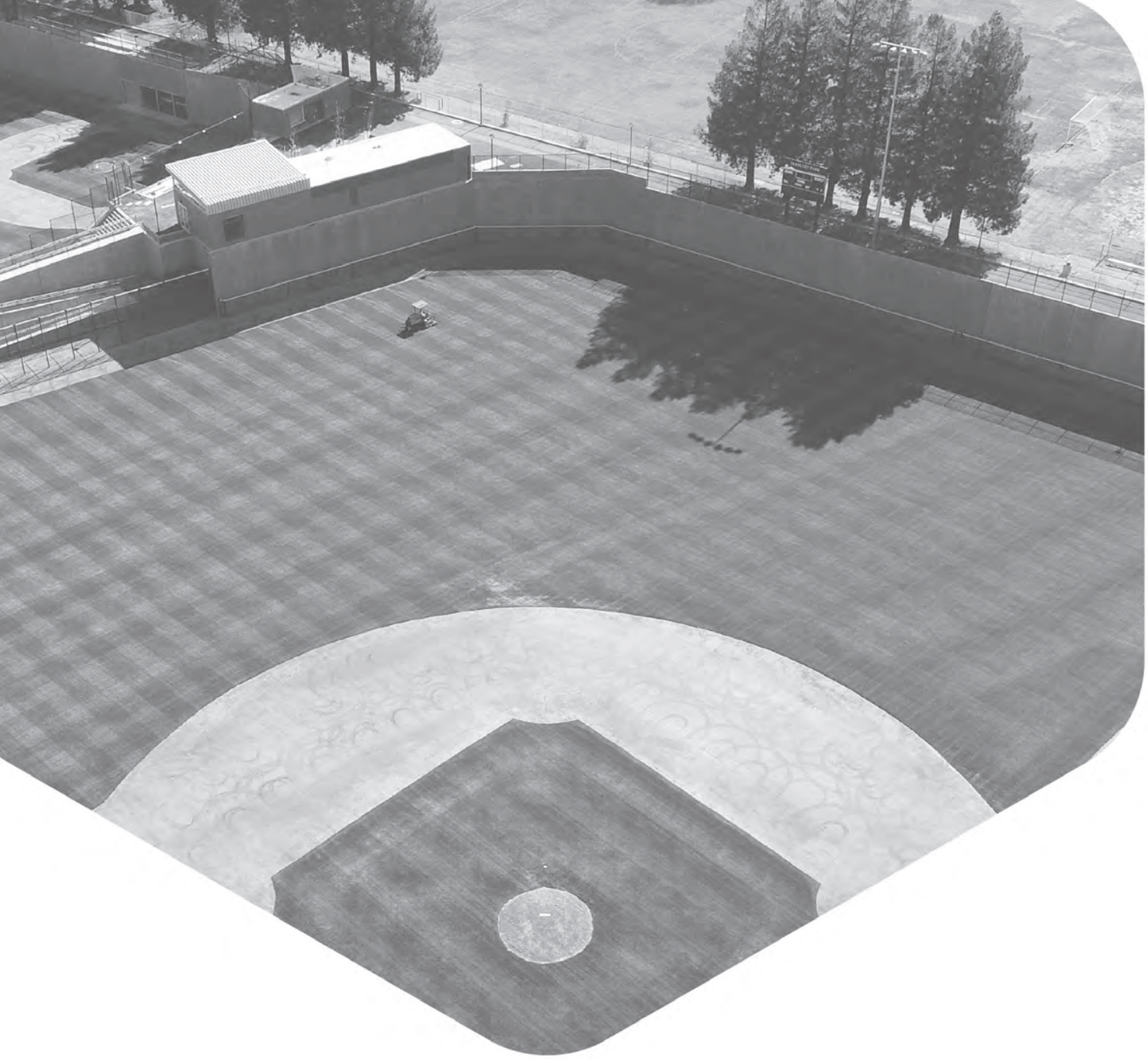
Article XIII B of the California Constitution specifies that local jurisdictions may select either the percentage change in California per capita personal income or the percentage change in the local assessment roll due to the addition of local non-residential new construction. The percentage change in the California per capita personal income has been selected by the Santa Clara Valley Water District and is 3.73 percent.

The population percentage change minus exclusions as reported by the State Department of Finance and prepared pursuant to Government Code Section 7901 (b) is calculated for Santa Clara County for the period from January 1, 2019, to January 1, 2020, to be used in setting the Appropriations Limit for Fiscal Year 2020-21. That change is 0.37 percent.

Per Capita Personal Income:	3.73%	converted to a factor	= 1.0373
Population: (Santa Clara County)	0.37%	converted to a factor	= 1.0037
	Ratio of Change:	(1.0373 x 1.0037)	= 1.0411

*Other watershed funds, Lower Peninsula and West Valley, and the Water Enterprise Fund were exempt from the Appropriations Limit under Article XIII B because they did not meet the criteria.

**Commencing with the FY 2009-10 Adopted Budget, the discretionary 1 percent ad valorem property taxes and other revenues (excluding benefit assessment charges) for Guadalupe, Coyote, and Uvas/Llagas watershed funds have been consolidated, as one, into the Watershed and Stream Stewardship Fund.



Appendices

FY 2020–21
Operating and Capital Budget

APPENDIX A - GLOSSARY

Appendix A - Glossary

Accrual Basis of Accounting

The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

Accrual

The accumulation or increase of something over time, especially payments or benefits.

Acre Feet (AF)

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot.

Ad Valorem Tax

A tax based on value (e.g., a property tax).

Adjusted Budget

The prior year's Adopted Budget, plus adjustments approved by the Board and Chief Executive Officer (CEO) through publication date of the current year's Requested Budget. Does not include prior year balance carry forward for multi-year Capital Project budgets.

Adopted Budget

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by the District's Board of Directors.

Agreements, Contractual

Contractual agreements made by the District with other governmental agencies for cost sharing or project cost reimbursement.

Allocated Project

Projects whose budget and actual charges are distributed between one or more projects. The projects may be in a single fund or they can be in multiple funds. Allocated projects are distributed based on formulas set during annual budget preparation. These formulas are not static and they can vary every fiscal year. Every attempt is made to maintain the percent distribution fixed within a given fiscal year.

Americans with Disabilities Act (ADA)

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities and transportation.

Appropriation

A legal authorization granted through the Santa Clara Valley Water District Act that allows the District to expend funds and incur obligations in accordance with the purpose of the Act. An appropriation could include all reserves, transfers, allocations, and supplemental appropriations, and is typically limited in amount and the time it may be expended.

Assessed Valuation

An official government value placed upon real estate or other property as a basis for levying taxes.

Asset

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

Audit

An independent examination of financial information.

Appendix A - Glossary

Balanced Budget

A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

Beginning Balance

The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

Benefit Assessment

Determination of benefits derived from District activities within particular watersheds and the levying of a proportionate share of taxes to each parcel subject to voter-approved limitations.

Benefits

District-funded employee health insurance, vision insurance, dental insurance, basic life insurance, medical insurance reimbursement, Medicare coverage, long-term disability, Workers' Compensation, unemployment insurance, and the PERS Retirement Program.

Bonds

A long-term debt source that provides borrowed monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bond Proceeds

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

Bond Rating

A methodology used to measure the fiscal health of a borrowing entity. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to governmental agencies. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

Budget

The planned use of expenditures and revenues over a given period of time

Budget Adjustment

A procedure to revise a budget appropriation, usually completed by either of two methods: (1)The Board of Directors approves the adjustment through the transfer of appropriations between funds, or through additional revenues or appropriations or (2) the CEO authorizes the adjustment of appropriations within a fund and within Operating Budget or within Capital Budget.

Budgetary Basis

This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual or some type of statutory form. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that (a) encumbrances are considered to be an expenditure chargeable to appropriations, (b) no depreciation is budgeted for in enterprise funds, (c) certain accruals (primarily accrued and sick leave pay) are excluded from the budgetary basis, (d) operating transfers are not budgeted. Unencumbered appropriations for Operations lapse at the close of the fiscal year. The basis of accounting used by the District Governmental Funds is Modified Accrual. The basis of accounting used by the District Enterprise Funds is Accrual.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial plan to the appropriating governing body.

Budgetary Control

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Budget Process

The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

Bureau Repayment Appropriation

The Bureau Repayment Appropriation is a provision for voluntary payment of costs to the Bureau of Reclamation, subject to negotiation, for a long-term contractual obligation in excess of current payments.

Budget Year

A consecutive 12-month period for recording financial transactions. The Santa Clara Valley Water District's budget and fiscal year is July 1 through June 30 of the following calendar year.

Capital Budget

The Capital Budget is comprised of all Capital Projects within a fund. See Capital Project.

Capital Expenditure

Capital expenditures generally create assets or extend the useful lives of existing assets, and can be made with regard to tangible and intangible assets. The work product results in a long-term benefit greater than 2 years and involves an expenditure of District resources greater than $50,000. The general categories of capital expenditures are: Rehabilitation, Major Repairs, Improvements/Betterments/Upgrades, Replacements, Expansions/Additions, and Ancillary Expenditures.

Capital Projects

Projects that are budgeted within the Capital Budget and fall within the definition of Capital Expenditures, meaning they (1) create or extend the lives of assets, (2) their work products have a useful life of greater than two years, and (3) they involve an expenditure of District resources in excess of $50,000.

Capital Improvement Program (CIP)

Capital projects are multi-year budgeted projects. Capital projects exceed $50,000 in cost, have long-term life spans and are generally non-recurring.

Carry-Forward

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

Certificates of Participation (COPs)

A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

CEQA

California Environmental Quality Act

CIP

See Capital Improvement Plan

Commercial Paper

Short term debt (1-270 days) issued primarily to fund capital expenditures.

Comprehensive Annual Financial Report (CAFR)

The official annual financial report of the District, prepared by the General Accounting Unit, and is usually referred to by its abbreviation, the report summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

Contingency Appropriation

A provision for unforeseen expenditures.

Cost Center

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

CVP

Central Valley Project, the imported water supply infrastructure operated by the federal Bureau of Reclamation.

Debt Proceeds

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium.

Debt Service

Payment of interest and principal on long term debt.

Depreciation

1) Expiration in the service life of capital assets attributable to wear and tear, deterioration and or action of the physical elements. (2) That portion of the cost of capital asset which is charged as an expense during a particular period.

District Act

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

DWR

State Department of Water Resources

EIR

Environmental Impact Report

Encumbrances

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

Ends

Board established policies that describe the mission, outcomes, and results to be achieved by the District.

Enterprise Fund

A fund established to finance and account for the acquisition, operations, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

Executive Limitations (EL)

Constraints on the Board Appointed Officers, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take place.

Expenditure/Expense

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by the District are labor and overhead, services & supplies, land and structures, equipment, and debt service.

FAHCE

Fisheries and Aquatic Habitat Collaborative Effort

Fixed Assets

Long-lived tangible assets such as automobiles, computers and software, furniture, communications equipment, hydrologic equipment, office equipment, and other equipment with a value of $2,000 or more, or the combined value of like or related units (aggregate value) is greater than $5,000 if the unit value is less than $2,000.

Fiscal Year

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

Full Time Equivalent (FTE)

The number of equivalent staff positions actually available, after adjusting for estimated vacancies. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full time employee.

Fund

A reserve of money set aside for some purpose; a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance

The net effect of assets less liabilities at any given point in time.

Gann Limit (Proposition 4)

Under this article of the California Constitution, the District must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the District can actually appropriate annually.

GASB

Governmental Accounting Standards Board

General Fund

A fund used to account for major operating revenues and expenditures, except for those financial transactions that are required to be accounted for in another fund. General Fund revenues are derived primarily from property and other taxes.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation Debt

Secured by the full faith and credit of the issuer. It is repaid with General Revenue and borrowings.

GFOA

Government Finance Officers Association

Government Finance Officers Association (GFOA) Distinguished Budget Award

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

Governmental Funds

Fund for activities that are primarily tax-supported operations or other mandatory payments.

Grants

Contributions or gifts of cash or other assets from another government entity to be used or expended for a specified purpose, activity, or facility.

Groundwater

Water pumped from underground aquifers

HAZMAT

Hazardous Materials

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intergovernmental Revenue

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and reimbursements.

International Organization for Standardization (ISO)

An international standard-setting body composed of representatives from various national standards organizations.

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intra-District Reimbursement

To provide reimbursement to the District Fund for general costs incurred on behalf of other cost centers.

ISMP

Information Systems Master Plan, a District document which provides objectives, justification and plans for improving the District's use of information system and information technology infrastructure.

IWRP

Integrated Water Resources Plan. This long-term District water supply plan was first completed in 1977, and was updating 2003 (IWRP 2003). The goal of IWRP 2003 is to develop a balanced, flexible, long-term water supply plan that can provide a mix of water resources to meet the needs of Santa Clara County through the year 2040.

Levy

(1. Verb) To impose taxes, special assessments, or service charges for the support of government activities; (2. Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental agency.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

MTBE

Methyl-Tert Butyl Ether, an oxygenate added to gasoline in California prior to 2004, which can contaminate groundwater.

Modified Accrual Basis of Accounting

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Operating Expenditure

Operating expenditures are system costs required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operating expenditures are costs necessary to maintain the systems in good operating condition. This includes the repair and replacement of minor property components. The American Waterworks Association (AWWA) says that these property components should be smaller than a retirement unit; a retirement unit is a readily separable and separately useful item that is part of a larger assembly. The benefit and life of such repairs should be less than 2 years. Any repairs that recur on an annual basis are considered operating activities of a maintenance nature. Operating expenditures are often separated into fixed and variable costs for purposes of understanding operating leverage and structuring service charge rates.

Operations

Expenditures required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operations include work that is generally of an ongoing or recurring nature. Any District work that is not a project is, by definition, an Operation. Operations, although recurring, require close coordination and a high degree of management oversight, however, they can be accomplished without the application of the full range of tools and processes used for managing projects.

Operating Budget

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

Operating Projects

Projects are budgeted within the Operating Budget and fall within the definition of Operating Expenditures. Although Operating Projects may, in some cases, create or extend the life of an asset and may have a useful life greater than two years, their costs may be under $50,000. District management may still decide to designate some Operating Projects as Capital Projects for purposes of giving the work visibility, control, and resources beyond a normal operating budget.

Other Post Employment Benefits (OPEB)

Large state and local governments were required to begin accounting for these obligations on December 15, 2006. OPEB obligations are primarily for retiree health care costs but also can include other benefits such as insurance. Currently the District pays a portion of the OPEB obligations out of current revenues on a pay-as you- go method. The annual cost of OPEB is what it costs to cover specific retirees in that year without regard to how this obligation might change as the number of retirees changes or the cost of providing the benefits changes in the future.

Outlays

See Expenditure/Expense.

Overhead

General Fund expenses that cannot be specifically associated with a given service, program, project or operational unit (i.e. accounting, information management, human resources, organizational development). Overhead expenses are allocated to programs and/or projects via an overhead rate that is calculated as a percentage of direct program/project salaries. The overhead rate provides a mechanism to reimburse the General Fund for costs incurred.

Overtime

Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

Perchlorate

Perchlorate is a salt used as an oxidizer for rocket fuel, highway flares, matches, air bag inflators and for other uses. Perchlorate can contaminate groundwater and surface water supplies.

Projects

At the Santa Clara Valley Water District, a project is any undertaking which has (1) a beginning and an ending, (2) a one-time occurrence. Projects can require expenditure of capital or operating funds and, at the District, are called Capital or Operating Projects, accordingly. Projects usually, but not always, relate to a District facility or facilities (a creek, a reservoir, a dam, a water treatment plant, a pipeline, etc.). Projects may include studies, design, construction, maintenance, or implementation of systems such as Records Management or Financial Management Systems.

Property Tax

An "ad valorem" tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1% of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter approved indebtedness.

Property Tax Assessment

The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

Proposed Budget

The District CEO submits a Proposed Budget for the District's financial operations, including an estimate of proposed expenditures and revenues, to the Santa Clara Valley Water District's Board of Directors for approval. The Board Adopted Budget is submitted by the Chairman of the District's Board of Directors to the Santa Clara County Board of Supervisors.

Proprietary Fund

Account for activities that are primarily funded by income from operations resulting from payments for goods and services provided to users.

Purchased Water

Water imported from other agencies to supplement local water supplies.

Recycled Water

Wastewater which has been treated for reuse; used for irrigation of crops, toilet flushing, industrial uses or landscaping, depending on its level of treatment.

Replacement Appropriation

Provides funds to meet future major repair costs to Water Enterprise facilities, which would cause interruption of water services (Water Enterprise Fund), and to replace existing equipment due to obsolescence (Equipment Fund).

Requested Budget

This summary budget outlines new programs, program changes, and identifiable goals and objectives.

Revenue

Monies the District receives in exchange for services or sales provided. Revenue items include water sales, property tax revenues, benefit assessment revenues, interest income, intergovernmental reimbursement.

Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Reserve

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Resolution

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Rolling Biennial Budget

A rolling biennial budget is a two-year spending document, created and adopted through successive annual appropriations with any necessary budget amendments made in the second year. The objective of a rolling biennial budget is to stabilize operating expenditures from year to year to ensure that operating expenditures are within generally agreed upon levels and to align operating and capital expenditures with fairly stable and predictable revenue sources.

Safe, Clean Water and Natural Flood Protection Program (SCW)

A 15-year program resulting from voter approved special parcel tax initiative in November 2012.

Salaries

Salaries are defined as the amount of money paid to District employees for the performance of services.

San Felipe Appropriation

Provides funds necessary for extraordinary maintenance under the San Felipe contract.

Self-Insurance Appropriation

The term "self insurance" is used to define the retention by an entity of a risk of loss arising out of the ownership of property or from other causes and obligations, instead of transferring that risk to an insurance company. The Self-Insurance Appropriation provides funds to meet such losses.

Services and Supplies

Services and Supplies include expenditures for insurance, maintenance, materials and supplies, memberships, office expenses, training and seminars, travel, contract services, communications, equipment leases, and utilities.

Special District

An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes.

Supplemental Water Supply Appropriation

Provides funds for specific purposes such as water transfer, purchase, or reclamation.

Subsidence

The sinking of land surface that occurs when underground aquifers are over-pumped.

State Water Project

The State Water Project is a water and power system operated by the California Department of Water Resources.

Taxes

Compulsory charges levied by a government to finance services performed for the common benefit.

Transmittal Letter

Introductory letter to the Budget document that provides the District and public with information on the major accomplishments in the current year and plans, programs, and activities for the future Budget year.

Treated Water

Water which has been processed through a District water treatment plant.

TWIP

Treated Water Improvement Project is the former name of the Water Treatment Improvement Project

Water Treatment Improvement Project

Also referred to as WTIP, this project is upgrading the District's three drinking water treatment plants to meet future stringent state and federal water regulations, using ozonation as the primary means of disinfection.

Watershed

A watershed is the land area from which surface runoff drains into a stream channel, lake reservoir or other body of water, such as the San Francisco Bay. See Watershed and Flood Control Zones.

Watershed and Flood Control Zones

Much of Santa Clara County is divided into five watershed areas with corresponding flood control zones Each zone has separate programs, revenues and expenditures. They are: The Lower Peninsula Watersheds (Northwest Zone); the West Valley Watersheds (Central Zone); the Coyote Watershed (East Zone); and the Uvas/Llagas Watersheds (South Zone).

WMI

Watershed Management Initiative. The Santa Clara Basin Watershed Management Initiative, established in 1996 by the U. S. Environmental Protection Agency, the State Water Resources Control Board and The San Francisco Bay Regional Water Quality Control Board. A major aim of the WMI is to coordinate existing regulatory activities on a basin-wide scale, ensuring that problems are addressed efficiently and effectively.

Zone W-1

Encompasses the groundwater basin in northern Santa Clara County and small peripheral areas outside the groundwater basin, with the retail service areas of privately-owned public utilities and municipal water departments using water pumped from the groundwater basin. This area provides the security for General Obligation bonds. Zone W-1 comprises an area of approximately 290 square miles and includes all or portions of 13 of the County's 15 cities, plus some unincorporated territory.

Zone W-2

Encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge of the basin with local and imported water. A charge is levied for all groundwater extracted from this zone.

Zone W-3

Encompasses the Coyote and Llagas groundwater basins in the area from Metcalf Road in the north to just south of the City of Morgan Hill. Part of the County property tax within the 1 percent limit is allocated to this zone.

Zone W-4

Contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of County taxes.

Zone W-5

Encompasses the valley floor of the Llagas subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River.

Zone W-7

Encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue.

Zone W-8

Encompasses portions of the outlying areas south of the Uvas and Chesbro reservoirs, east of Santa Teresa Boulevard, and generally north of Hecker Pass Highway.

APPENDIX B - WATER UTILITY ENTERPRISE LONG TERM FORECAST

Appendix B - Water Utility Enterprise Long Term Forecast

(In Thousands $)

(See note 1)	Adopted 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Operating Revenues					
Groundwater Production Charges	$ 121,105	$ 146,818	$ 159,592	$ 173,501	$ 188,635
Surface & Recycled Water Charges	2,562	3,045	3,356	3,615	3,897
Treated Water Charges	137,399	165,020	178,902	194,049	210,574
Other	700	625	625	625	625
Inter-governmental Services	1,242	1,357	1,403	1,179	1,199
Total Operating Revenue	$ 263,008	$ 316,865	$ 343,878	$ 372,969	$ 404,930
Non-Operating Revenues					
Property Taxes	$ 26,217	$ 33,442	$ 34,738	$ 37,044	$ 39,360
Interest	3,500	1,787	1,915	1,961	1,976
Capital Contributions	11,358	4,189	7,606	84,555	81,155
Other	1,401	1,408	1,416	1,425	1,434
Total Non-Operating Revenues	$ 42,476	$ 40,826	$ 45,675	$ 124,985	$ 123,925
Total Revenue	$ 305,484	$ 357,691	$ 389,553	$ 497,954	$ 528,855
Operating Outlays					
Operations	$ 200,390	$ 226,043	$ 230,845	$ 232,229	$ 238,174
Operating Projects	282	372	391	348	358
Debt Service	48,424	59,976	70,117	85,428	106,264
Total Operating Outlays	$ 249,097	$ 286,391	$ 301,353	$ 318,005	$ 344,796
Operating Transfers In/(Out)	(4,273)	(1,702)	(2,410)	(5,726)	(1,720)
Debt Proceeds	135,500	227,399	210,263	359,540	274,147
Capital Outlay	(181,338)	(284,845)	(291,237)	(532,398)	(455,811)
Total Other Financing Sources/ (Uses)	$ (50,111)	$ (59,148)	$ (83,384)	$ (178,584)	$ (183,384)
Balance Available	6,275*	12,152	4,816	1,365	675
Reserves:					
Restricted Reserves					
WUE - Rate Stabilization Reserve	$ 25,878	$ 29,864	$ 32,124	$ 35,043	$ 39,359
GP 5 Reserve	3,613	3,613	3,613	3,613	3,613
San Felipe Emergency Reserve	3,250	3,300	3,350	3,400	3,450
Revenue Bond Debt Service Reserve	-	189	189	189	189
Drought Contingency Reserve	10,000	10,000	10,000	10,000	10,000
Supplemental Water Supply	15,477	15,877	16,277	16,677	17,077
SVAWPC Reserve	908	1,066	1,066	1,066	1,066
Total Restricted Reserves	$ 59,126	$ 63,909	$ 66,619	$ 69,988	$ 74,754
Committed Reserves					
Operating and Capital Reserve	$ 61,994	$ 61,327	$ 63,433	$ 61,428	$ 57,337
Currently Authorized Projects	9,386	-	-	-	-
Total Committed Reserves	$ 71,380	$ 61,327	$ 63,433	$ 61,428	$ 57,337
Total Year-end Reserves	$ 130,506	$ 125,236	$ 130,052	$ 131,416	$ 132,091
Debt Service Coverage					
Senior & Parity Debt Service Coverage	2.32	2.47	2.42	2.36	2.26

* Includes transfers from Fund 63 to Fund 61

Note (1): The water utility financial forecast set forth herein represents the estimate of projected financial results of certain funds of the Valley Water related to Valley Water's water utility and is based upon Valley Water's judgment of the most probable occurrence of certain future events at the time this forecast is published. Such projected financial forecast is based on a variety of assumptions which are material in the development thereof, and variations in the assumptions may produce substantially different forecast results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material. Revenues, operating outlays and other amounts set forth above (i) are presented on a budgetary basis which is not consistent with generally accepted accounting principles in all respects, and (ii) may not be presented consistent with the requirements of other statutes, regulations or contractual obligations applicable to or entered into by Valley Water, including but not limited to bonds, notes or other obligations issued by or on behalf of Valley Water and payable from the Water Enterprise Fund and the State Water Project Fund. The Senior and Parity Debt Service Coverage calculation included herein is prepared for general reference and may not conform to the debt service coverage calculation formulas pursuant to the Water Utility Senior or Parity Master Resolutions or other calculations applicable to the Water Enterprise Fund and the State Water Project Fund individually. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of District bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rule making Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at https://emma.msrb.org/

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APPENDIX C - SUMMARY BY FUND

Appendix C - Summary by Fund

	Watershed Funds (Fund 12,21-25 & 26)				Water Utility Enterprise Funds (Fund 61 & 63)			
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21
REVENUE								
Groundwater Production Charges	-	-	-	-	81,922,689	105,036,000	98,050,000	121,105,000
Treated Water Charges	-	-	-	-	143,998,219	169,519,000	156,495,000	137,399,000
Surface&Recycled Water Charges	-	-	-	-	1,757,563	2,821,000	2,820,000	2,562,000
Benefit Assessment	14,746,505	13,444,678	13,444,678	12,369,217	-	-	-	-
Property Tax	90,726,811	86,087,955	91,119,811	93,520,000	30,468,422	25,451,232	26,087,232	26,217,000
Special Parcel Tax	44,127,352	45,537,000	45,537,000	45,537,000	-	-	-	-
Intergovermental Services	1,342,923	-	-	-	2,754,161	1,237,000	1,162,000	1,242,326
Operating Other	158,630	247,000	247,000	254,410	516,051	625,000	700,000	700,000
Capital Reimbursements	25,524,483	20,762,000	39,805,000	32,250,000	1,148,667	11,856,000	10,916,000	11,358,000
Interest Income *	6,893,144	4,390,000	6,850,000	5,950,000	5,066,270	2,800,000	5,300,000	3,500,000
Non-Operating Other	2,438,460	1,366,000	1,366,374	1,407,421	1,390,225	1,392,000	1,392,191	1,400,554
TOTAL REVENUE	**185,958,308**	**171,834,633**	**198,369,863**	**191,288,048**	**269,022,267**	**320,737,232**	**302,922,423**	**305,483,880**
OUTLAYS								
Operating Outlays								
Operations **	63,746,561	69,626,224	73,070,830	73,084,109	164,587,190	184,563,623	187,857,623	200,390,388
Operating Project	5,991,916	5,995,559	11,995,559	5,240,630	338,761	310,764	310,764	282,383
Debt Service	11,854,328	14,254,809	14,254,809	12,911,367	30,270,733	43,874,295	43,874,295	48,424,345
Total Operating Outlays	**81,592,805**	**89,876,592**	**99,321,198**	**91,236,106**	**195,196,684**	**228,748,682**	**232,042,682**	**249,097,116**
Capital Outlays								
Capital Projects	69,266,692	62,455,317	161,547,407	86,603,149	97,937,212	133,456,709	152,767,588	159,126,986
Carry Forward Capital Projects	-	43,996,000	-	37,987,340	-	19,239,000	-	22,211,117
Total Capital Outlays	**69,266,692**	**106,451,317**	**161,547,407**	**124,590,489**	**97,937,212**	**152,695,709**	**152,767,588**	**181,338,103**
TOTAL OUTLAYS****	**150,859,497**	**196,327,909**	**260,868,605**	**215,826,595**	**293,133,896**	**381,444,391**	**384,810,270**	**430,435,219**
Less Intra-District Reimb								
NET OUTLAYS	**150,859,497**	**196,327,909**	**260,868,605**	**215,826,595**	**293,133,896**	**381,444,391**	**384,810,270**	**430,435,219**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	3,581,547	-	2,040,459	-	41,540,000	59,559,000	70,894,000	135,500,000
Transfers In	5,618,227	20,866,330	21,534,113	13,172,427	1,228,000	1,013,000	1,064,430	1,941,774
Transfers Out	(9,062,587)	(23,754,530)	(24,380,959)	(20,485,263)	(3,908,166)	(2,478,000)	(2,570,784)	(6,215,163)
TOTAL OTHER SOURCES/(USES)	**137,187**	**(2,888,200)**	**(806,387)**	**(7,312,836)**	**38,859,834**	**58,094,000**	**69,387,646**	**131,226,611**
BALANCE AVAILABLE	**35,235,998**	**(27,381,476)**	**(63,305,129)**	**(31,851,383)**	**14,748,205**	**(2,613,159)**	**(12,500,201)**	**6,275,272**
YEAR-END RESERVES								
WUE Rate Stabilization	-	-	-	-	26,090,186	23,467,000	23,466,551	25,878,053
WUE San Felipe Emergency	-	-	-	-	3,150,102	3,103,000	3,199,972	3,249,972
WUE State Water Project Tax Reserve	-	-	-	-	15,355,069	4,815,690	9,287,487	-
CP Debt Service	98,384	-	-	-	188,842	-	-	-
WUE Public-Private Partnership (P3) Res	-	-	-	-	4,000,000	8,000,000	8,000,000	-
WUE Water Supply	-	-	-	-	14,677,000	15,077,000	15,077,000	15,477,000
WUE SVAWPC	-	-	-	-	1,066,000	1,066,000	1,298,138	908,138
WUE Drought Reserve	-	-	-	-	7,000,000	10,000,000	10,000,000	10,000,000
GP5 Reserve	-	-	-	-	-	-	3,613,000	3,613,000
SCW Currently Authorized Projects	109,087,781	25,418,000	55,566,655	22,477,299	-	-	-	-
SCW Operating and Capital Reserve	48,558,698	90,654,986	64,059,172	57,903,219	-	-	-	-
Total Restricted Reserves	**157,744,863**	**116,072,986**	**119,625,827**	**80,380,518**	**71,527,199**	**65,528,690**	**73,942,148**	**59,126,163**
Currently Authorized Projects ***	46,911,936	11,673,000	17,040,972	12,142,988	52,251,978	15,830,000	31,597,099	9,385,922
Benefit Assessment Reserve	1,097,604	-	-	-	-	-	-	-
Operating and Capital Reserve	85,295,706	70,522,113	91,078,181	103,370,091	12,951,918	41,436,874	18,691,647	61,994,081
Workers Compensation Liability	-	-	-	-	-	-	-	-
Catastrophy - Property Self-Insurance	-	-	-	-	-	-	-	-
Total Committed Reserves	**133,305,246**	**82,195,113**	**108,119,153**	**115,513,079**	**65,203,896**	**57,266,874**	**50,288,746**	**71,380,003**
TOTAL YEAR-END RESERVES	**291,050,109**	**198,268,099**	**227,744,980**	**195,893,597**	**136,731,095**	**122,795,564**	**124,230,894**	**130,506,166**

Outlay Summary by Account Type

OPERATING OUTLAY								
Salaries and Benefits	28,099,595	32,090,568	32,090,568	33,741,784	51,310,127	57,187,636	57,187,636	60,033,689
Salary Savings Factor	-	(873,113)	(873,113)	(877,692)	-	(1,535,415)	(1,535,415)	(1,541,842)
Services & Supplies	22,667,076	25,435,078	34,879,684	24,775,720	81,819,902	97,562,915	100,856,915	107,502,473
Intra-District Charges	18,971,807	18,969,250	18,969,250	20,684,927	31,795,923	31,659,250	31,659,250	34,678,451
OPERATING OUTLAY TOTAL	**69,738,478**	**75,621,783**	**85,066,389**	**78,324,739**	**164,925,952**	**184,874,386**	**188,168,386**	**200,672,771**
DEBT SERVICE								
Services & Supplies	354,009	853,399	853,399	722,456	530,275	3,538,780	3,538,780	2,289,720
Debt Service	11,500,319	13,401,410	13,401,410	12,188,911	29,740,459	40,335,515	40,335,515	46,134,625
DEBT SERVICE TOTAL	**11,854,328**	**14,254,809**	**14,254,809**	**12,911,367**	**30,270,734**	**43,874,295**	**43,874,295**	**48,424,345**
CAPITAL PROJECTS								
Salaries and Benefits	16,966,367	18,571,597	18,571,597	21,095,881	12,247,695	17,433,734	17,433,734	19,603,802
Salary Savings Factor	-	(517,260)	(517,260)	(565,272)	-	(484,632)	(484,632)	(527,201)
Services & Supplies	41,673,912	34,331,548	133,423,638	54,247,196	78,020,737	106,946,135	126,257,014	128,911,849
Carry Forward Capital Projects	-	43,996,000	-	37,987,340	-	19,239,000	-	22,211,117
Intra-District Charges	10,626,413	10,069,433	10,069,433	11,825,344	7,668,780	9,561,473	9,561,473	11,138,536
CAPITAL PROJECTS TOTAL	**69,266,692**	**106,451,318**	**161,547,408**	**124,590,489**	**97,937,212**	**152,695,710**	**152,767,589**	**181,338,103**
TOTAL OUTLAYS****	**150,859,498**	**196,327,910**	**260,868,606**	**215,826,595**	**293,133,898**	**381,444,391**	**384,810,270**	**430,435,219**

(*) Interest revenue does not include GASB31 market value adjustment

(**) Operations outlay does not include OPEB Expense-unfunded liability

(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(****)Total Outlays amounts may have a slight variance due to rounding

Appendix C - Summary by Fund

	Administration Funds (Fund 11,71-73)				Total District-wide			
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Adopted Budget 2020-21
REVENUE								
Groundwater Production Charges	-	-	-	-	81,922,689	105,036,000	98,050,000	121,105,000
Treated Water Charges	-	-	-	-	143,998,219	169,519,000	156,495,000	137,399,000
Surface&Recycled Water Charges	-	-	-	-	1,757,563	2,821,000	2,820,000	2,562,000
Benefit Assessment	-	-	-	-	14,746,505	13,444,678	13,444,678	12,369,217
Property Tax	8,993,866	8,412,466	9,016,844	9,165,000	130,189,099	119,951,653	126,223,887	128,902,000
Special Parcel Tax	-	-	-	-	44,127,352	45,537,000	45,537,000	45,537,000
Intergovermental Services	6,984	-	-	-	4,104,067	1,237,000	1,162,000	1,242,326
Operating Other	(250)	-	-	-	674,431	872,000	947,000	954,410
Capital Reimbursements	-	-	-	-	26,673,149	32,618,000	50,721,000	43,608,000
Interest Income *	1,038,081	660,000	800,000	600,000	12,997,494	7,850,000	12,950,000	10,050,000
Non-Operating Other	317,850	200,000	200,000	80,000	4,146,534	2,958,000	2,958,565	2,887,975
TOTAL REVENUE	**10,356,531**	**9,272,466**	**10,016,844**	**9,845,000**	**465,337,102**	**501,844,331**	**511,309,130**	**506,616,928**
OUTLAYS								
Operating Outlays								
Operations **	75,644,145	86,089,353	86,454,353	99,481,063	303,977,897	340,279,199	347,382,805	372,955,560
Operating Project	358,344	100,000	1,150,000	646,000	6,689,020	6,406,323	13,456,323	6,169,013
Debt Service	474,813	478,052	478,052	475,801	42,599,875	58,607,156	58,607,156	61,811,513
Total Operating Outlays	**76,477,302**	**86,667,405**	**88,082,405**	**100,602,864**	**353,266,792**	**405,292,678**	**419,446,284**	**440,936,086**
Capital Outlays								
Capital Projects	8,251,369	8,539,278	18,176,021	13,973,681	175,455,273	204,451,305	332,491,017	259,703,817
Carry Forward Capital Projects	-	7,916,000	-	4,163,731	-	71,151,000	-	64,362,188
Total Capital Outlays	**8,251,369**	**16,455,278**	**18,176,021**	**18,137,412**	**175,455,273**	**275,602,305**	**332,491,017**	**324,066,005**
TOTAL OUTLAYS****	**84,728,671**	**103,122,683**	**106,258,426**	**118,740,276**	**528,722,065**	**680,894,983**	**751,937,301**	**765,002,091**
Less Intra-District Reimb	(72,042,287)	(80,846,963)	(80,846,963)	(91,131,585)	(72,042,287)	(80,846,963)	(80,846,963)	(91,131,585)
NET OUTLAYS	**12,686,384**	**22,275,720**	**25,411,463**	**27,608,691**	**456,679,778**	**600,048,020**	**671,090,338**	**673,870,506**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	-	-	-	-	45,121,546	59,559,000	72,934,459	135,500,000
Transfers In	6,738,527	5,062,500	5,062,500	11,882,725	13,584,754	26,941,830	27,661,043	26,996,926
Transfers Out	(614,000)	(709,300)	(709,300)	(296,500)	(13,584,753)	(26,941,830)	(27,661,043)	(26,996,926)
TOTAL OTHER SOURCES/(USES)	**6,124,527**	**4,353,200**	**4,353,200**	**11,586,225**	**45,121,547**	**59,559,000**	**72,934,459**	**135,500,000**
BALANCE AVAILABLE	**3,794,674**	**(8,650,054)**	**(11,041,419)**	**(6,177,466)**	**53,778,871**	**(38,644,689)**	**(86,846,749)**	**(31,753,578)**
YEAR-END RESERVES								
WUE Rate Stabilization	-	-	-	-	26,090,186	23,467,000	23,466,551	25,878,053
WUE San Felipe Emergency	-	-	-	-	3,150,102	3,103,000	3,199,972	3,249,972
WUE State Water Project Tax Reserve	-	-	-	-	15,355,069	4,815,690	9,287,487	-
CP Debt Service	-	-	-	-	287,226	-	-	-
WUE Public-Private Partnership (P3) Re	-	-	-	-	4,000,000	8,000,000	8,000,000	-
WUE Water Supply	-	-	-	-	14,677,000	15,077,000	15,077,000	15,477,000
WUE SVAWPC	-	-	-	-	1,066,000	1,066,000	1,298,138	908,138
WUE Drought Reserve	-	-	-	-	7,000,000	10,000,000	10,000,000	10,000,000
GP5 Reserve	-	-	-	-	-	-	3,613,000	3,613,000
SCW Currently Authorized Projects	-	-	-	-	109,087,781	25,418,000	55,566,655	22,477,299
SCW Operating and Capital Reserve	-	-	-	-	48,558,698	90,654,986	64,059,172	57,903,219
Total Restricted Reserves	**-**	**-**	**-**	**-**	**229,272,062**	**181,601,676**	**193,567,975**	**139,506,681**
Currently Authorized Projects ***	13,969,749	2,304,000	4,333,006	169,275	113,133,663	29,807,000	52,971,077	21,698,185
Benefit Assessment Reserve	-	-	-	-	1,097,604	-	-	-
Operating and Capital Reserve	11,686,951	6,366,151	11,250,666	9,316,420	109,934,575	118,325,138	121,020,494	174,680,592
Workers Compensation Liability	7,085,600	7,034,000	7,085,600	7,085,600	7,085,600	7,034,000	7,085,600	7,085,600
Catastrophy - Property Self-Insurance	7,244,312	6,113,912	6,275,922	6,196,433	7,244,312	6,113,912	6,275,922	6,196,433
Total Committed Reserves	**39,986,612**	**21,818,063**	**28,945,194**	**22,767,728**	**238,495,754**	**161,280,050**	**187,353,093**	**209,660,810**
TOTAL YEAR-END RESERVES	**39,986,612**	**21,818,063**	**28,945,194**	**22,767,728**	**467,767,816**	**342,881,726**	**380,921,068**	**349,167,491**

Outlay Summary by Account Type

OPERATING OUTLAY								
Salaries and Benefits	42,913,251	48,088,199	48,088,199	52,061,842	122,322,972	137,366,403	137,366,403	145,837,315
Salary Savings Factor	-	(1,310,193)	(1,310,193)	(1,357,111)	-	(3,718,721)	(3,718,721)	(3,776,645)
Services & Supplies	23,186,330	29,128,581	30,543,581	37,567,042	127,673,308	152,126,574	166,280,180	169,845,234
Intra-District Charges	9,902,907	10,282,766	10,282,766	11,855,290	60,670,637	60,911,267	60,911,267	67,218,668
OPERATING OUTLAY TOTAL	**76,002,488**	**86,189,353**	**87,604,353**	**100,127,063**	**310,666,917**	**346,685,523**	**360,839,129**	**379,124,572**
DEBT SERVICE								
Services & Supplies	338	2,262	2,262	2,262	884,622	4,394,441	4,394,441	3,014,438
Debt Service	474,475	475,790	475,790	473,539	41,715,253	54,212,715	54,212,715	58,797,075
DEBT SERVICE TOTAL	**474,813**	**478,052**	**478,052**	**475,801**	**42,599,875**	**58,607,156**	**58,607,156**	**61,811,513**
CAPITAL PROJECTS								
Salaries and Benefits	515,014	1,353,780	1,353,780	1,888,332	29,729,076	37,359,111	37,359,111	42,588,015
Salary Savings Factor	-	(19,495)	(19,495)	(50,004)	-	(1,021,387)	(1,021,387)	(1,142,476)
Services & Supplies	7,578,278	6,900,201	16,536,944	11,186,317	127,272,927	148,177,884	276,217,596	194,345,362
Carry Forward Capital Projects	-	7,916,000	-	4,163,731	-	71,151,000	-	64,362,188
Intra-District Charges	158,077	304,791	304,791	949,037	18,453,271	19,935,697	19,935,697	23,912,916
CAPITAL PROJECTS TOTAL	**8,251,369**	**16,455,277**	**18,176,020**	**18,137,413**	**175,455,274**	**275,602,305**	**332,491,017**	**324,066,005**
TOTAL OUTLAYS****	**84,728,670**	**103,122,682**	**106,258,425**	**118,740,277**	**528,722,066**	**680,894,984**	**751,937,302**	**765,002,090**

(*) Interest revenue does not include GASB31 market value adjustment

(**) Operations outlay does not include OPEB Expense-unfunded liability

(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(****)Total Outlays amounts may have a slight variance due to rounding

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Valley Water

Clean Water • Healthy Environment • Flood Protection

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